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Montserrat

Working paper prepared by the Secretariat

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I. General

1. Montserrat is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory was named after a Spanish monastery by Christopher Columbus on his second voyage to the island in 1493. In 1632, the island became a British colony. Its first settlers were largely Irish. Sugar production dominated the island's economy during the seventeenth and eighteenth centuries. Slaves who worked the cotton and sugar plantations were unsuccessful in historic uprisings in the late 1700s. Slavery was abolished in 1834. Meanwhile, after two brief occupations by France, British rule resumed in 1783 and Montserrat became a British Crown Colony in 1871. From 1871 to 1958, Montserrat was administered as part of the Federal Colony of the Leeward Islands, and from 1958 to 1962, it formed part of the Federation of the West Indies. Following the dissolution of the Federation in 1962, Montserrat elected to retain its status as a Crown Colony.

2. Montserrat is situated in the Leeward Islands in the eastern Caribbean, 43 kilometres south-west of Antigua and 64 kilometres north-west of Guadeloupe.

3. The island covers an area of 103 square kilometres. Montserrat is volcanic and very mountainous, with a rugged coastline. There are three mountain ranges: Silver Hills in the north, Centre Hills and the Soufrière Hills in the south. There are hot springs, ravines, black sand beaches and a white sand beach in the north. The vegetation is tropical.

4. In July 1995, the Soufrière Hills volcano, dormant for more than 400 years, erupted with devastating effects and caused the relocation of residents and the evacuation of about 70 per cent of the population from the southern part of the island to the north. The effects of that eruption are still being strongly felt. Montserrat's capital, Plymouth, was abandoned in 1997 after the volcanic activity rendered it uninhabitable. A new town is being developed at Little Bay in the north.

5. The population of the Territory, which reached a peak of 14,333 in 1946, fell after the devastating volcanic eruption in 1995. An estimated 8,000 refugees left the island following the resumption of volcanic activity in July 1995, of whom some have returned.[1] The overall decline since 1995 in the population figures was attributed to a relocation programme instituted by the territorial and United Kingdom Governments as a means of solving social and economic problems brought on by volcanic activity, and the relocation of residents. The highest proportion of emigrants was from those under 30 years of age. In 2008, the British Virgin Islands gave certificates of residence to 28 citizens of Montserrat.[2] It was the first time citizens of Montserrat had been given such certificates. In 2008, the population of Montserrat was estimated at slightly over 5,000,[1] compared to 4,493 in 2001, 10,639 in 1991 and 11,606 in 1980. The promotion of population growth remains on the agenda of the territorial Government.[3]

Note: The information contained in the present working paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[1] Central Intelligence Agency, *The World Factbook*, available from www.cia.gov.

[2] See www.caribbeannetnews.com.

[3] Chief Minister, 28 March 2008 budget statement, available from www.themontserratreporter.com.

II. Constitutional, political and legal issues

6. Under the Montserrat Constitution Order 1989, which came into force in February 1990, Montserrat has a Governor appointed by the British monarch, an Executive Council, and a Legislative Council.

7. The current Governor of Montserrat, Peter Waterworth, took office in July 2007. The Governor retains responsibility for internal security (including police), external affairs, defence, public service and offshore finance. The territorial Government has asked the United Kingdom to support its request for the appointment of Montserrat's first indigenous Deputy Governor, one of a number of suggested constitutional recommendations that are elaborated on below. Until the details are finalized, a Chief Executive Officer has been appointed in the interim. No information on progress was reported in 2008 on the appointment of the first indigenous Deputy Governor of Montserrat.

8. Further, under the Constitution, the British monarch reserves the power, with the advice of the Privy Council, to make laws for the peace, order and good government of Montserrat.

9. The Executive Council currently comprises four Ministers (three men and one woman), as well as the Attorney General and a Financial Secretary. It is presided over by the Governor and has responsibility for the general control and direction of government.[4]

10. The Legislative Council consists of nine members. Following elections in 2006, there are three female members along with six male members.

11. Elections are held in Montserrat every five years on the basis of universal adult suffrage. The last elections were held on 31 May 2006, using a single-constituency "first past the post" arrangement. According to the administering Power, 3,331 voters were registered and 2,486 votes were cast: a 77 per cent voter turnout (78 per cent in 2001). No party won a clear mandate, and a coalition Government headed by Chief Minister Lowell Lewis (Montserrat Democratic Party) was formed. In November 2008, the Chief Minister formed a new Government when he and one former minister joined with the opposition, which held four seats. The next elections are due in 2011.[4]

12. On 23 October 2008, the leader of the opposition filed a no-confidence motion against the Chief Minister. According to the leader of the opposition, as reflected in reports in the media, the leadership of the Chief Minister had created an untenable situation characterized by bad management and erratic behaviour, especially with regard to the management of the economic affairs of the Territory. Moreover, he expressed fears that under the leadership of the Chief Minister, the administering Power would seize the opportunity to take on a more direct role in the governance of the Territory.[2] On 11 November 2008, it was announced that the Chief Minister had avoided action on the no-confidence motion against his Government by agreeing to relinquish the economic development portfolio. In a special Legislative Council sitting, the Chief Minister made known his agreement with the arrangement, which also transferred the related responsibilities to the Minister of Agriculture and Trade.[2]

[4] Information provided by the administering Power on 13 January 2009.

13. The law of Montserrat comprises English common law and locally enacted legislation. It is administered by a Magistrates Court and the Eastern Caribbean Supreme Court. The Eastern Caribbean Supreme Court (Court of Appeal) is an itinerant court established under the West Indies Associated States Supreme Court Order No. 223 of 1967, whose sittings rotate among the Court's nine member States of the Court, including Montserrat.[5] Cases handled by the Supreme Court have recourse of final appeal to the Judicial Committee of the Privy Council. In the context of a review, the administering Power reaffirmed in September 2008 that the terms and conditions of employment of the Chief Justices were a matter for the Organization of Eastern Caribbean States (OECS), not the United Kingdom.[6]

14. A new commercial court is under construction in the British Virgin Islands, which is expected to be completed by May 2009. The Commercial Court would serve predominantly the Eastern Caribbean jurisdictions, including Anguilla, the British Virgin Islands and Montserrat.[7]

15. As previously reported (see A/AC.109/2008/16, para. 13), the basis of the relationship between the Government of the United Kingdom and its Overseas Territories, including Montserrat, is set out in the white paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories" (see A/AC.109/1999/1, annex) which recognized that the constitutions of the Territories needed to be kept up to date.

16. A Constitutional Review Commission was set up in 2002 under the chairmanship of Sir Howard Fergus. In February 2003, the Governor was presented with the Commission's report, including recommendations for a number of changes to the Constitution. For instance, the report concluded that the proposed change from the imposition of the candidate by the United Kingdom to a more cooperative approach in choosing a Governor would have positive symbolic significance. That report was debated in the Legislative Council in April 2005.

17. The first round of talks between the territorial Government and the Foreign and Commonwealth Office took place in Montserrat in September 2005. A second round of discussions between Montserrat, involving all Legislative Council members, and a United Kingdom Government team took place in February 2006, followed by additional formal and informal talks in 2006, 2007 and 2008.

18. As previously reported (see A/AC.109/2008/16, para. 18), in March 2008, responding to inquiries from the public about the position of the territorial Government as regards constitutional reform and in an effort to keep the public informed of developments, the Chief Minister announced that the constitutional review process had been postponed until later in the year. According to the Chief Minister, the reason that a postponement had been requested by the territorial Government was that more time was needed. He further stated that ultimately he sought a "pre-independence constitution", emanating from the people of Montserrat themselves, which would allow the Territory to eventually become independent once economic conditions permitted.[2]

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[5] See http://eccourts.org/index.html.

[6] Seventh Report of the Foreign Affairs Committee, Session 2007-08, Overseas Territories, response of the Secretary of State for Foreign and Commonwealth Affairs, September 2008, Cm 7473, page 22, available from www.fco.gov.uk.

[7] MENA News from Al-Bawaba via COMTEX News Network.

19. Meanwhile, media reporting indicated that there was a growing realization that the only constitution Montserrat would be able to achieve was one that was based "not [on] free association, but independence". According to the reporting, this growing realization could be considered one of the reasons that progress in the review exercise was slow.[8]

20. The Chief Minister stated in 2008 that the key achievement in the governance programme of the territorial Government would be the successful negotiation of a new constitution with the United Kingdom. The new constitution would give more autonomy to the territorial Government, establish processes that would enhance governance in the Territory and retain the right of the people of Montserrat to advance self-determination. Such a constitution was to be regarded as a "pre-independence constitution", to serve the people of the Territory until they wish to take the next step.[3]

21. Building on progress made at earlier rounds, the discussions that took place in Montserrat in March 2008 yielded further results and, according to the administering Power, negotiations reached a very advanced stage.[9] However, as previously reported (see A/AC.109/2008/16, para. 15), according to the administering Power it was still valid that the constitutional revision process of the Territory did not completely reflect the aspirations and desires of the Montserrat public, which included calls for a dialogue on free association.[4]

III. Budget

22. The Montserrat public sector continues to be dependent on budgetary aid from the administering Power.[9] Delivering the budget speech in March 2008, the Chief Minister stated that the total budget of Montserrat for 2008 was EC$ 142.2 million.[10] The total amount available for development purposes in the 2008 financial year was EC$ 46.1 million, with approximately EC$ 3.7 million funded through local sources.[3]

23. According to the administering Power, for the period 2008-2010, the United Kingdom Department for International Development has made an allocation of 58 million pounds sterling (£) available to Montserrat. The Territory also benefits from various resources made available by the United Kingdom to its Overseas Territories to strengthen disaster management capacity, security and safety at port and airport facilities, capacity for law enforcement and prison management, environmental protection, development of the private sector and the promotion of human rights.[4]

24. As previously reported (see A/AC.109/2008/16, para. 22), the ninth allocation of five-yearly funds under the European Development Fund (EDF) provided Montserrat with two tranches equalling approximately €17 million in budgetary assistance to the services sector, in particular on tourism and communication

[8] See www.themontserratreporter.com.

[9] Information provided by the administering Power on 13 January 2009 and United Kingdom statement shared with the 2008 United Nations Regional Seminar on decolonization held in Bandung, Indonesia.

[10] Montserrat's currency is the Eastern Caribbean dollar (EC$), which is aligned with the United States dollar (US$) (EC$ 2.70).

technologies services. Under the tenth allocation of the Fund, Montserrat received an allocation of €15.6 million.[11]

25. In 2008, the Government of Trinidad and Tobago and the Caribbean Community (CARICOM) secretariat continued providing assistance to Montserrat through the Petroleum Stabilization Fund of CARICOM.[3]

IV. Volcanic activity and the environment

26. Following the eruption of the volcano on Montserrat in 1995 after centuries of dormancy, in October 1996, the Territory was successively divided to create an exclusion zone comprising roughly the southern two thirds of the island. As previously reported (see A/AC.109/2008/16, para. 25), in February 2007, evacuation alerts were issued for residents of Bishop Lane and an area south of Old Towne. The evacuation orders were revoked in July 2007 following a marked decrease in activity. In the latter part of 2007, there remained a large mass of material on the dome, and scientists believed this to be a sign of a pause rather than a complete cessation of volcanic activity. Volcanic activity recommenced in the second half of 2008, resulting in new evacuation from the same area on 2 January 2009.[4] At the same time, volcanic activity produces a wealth of ash, sand, pumice and aggregates that can be mined and collected for domestic use and export when the level of volcanic activity is low.

27. In regard to other environmental issues, during 2008, the territorial Government spearheaded the development of a broadly supported national energy policy; developed a biodiversity research protocol for the island; continued its long-term monitoring programme for flora, forest birds, reptiles and amphibians; began the development of a climate change adaptation strategy and public education and outreach programme; set standards for Territory ecotourism product development; and identified the distribution and extent of key invasive species and developed strategies for their management.[12] The Territory budget statement of March 2008 stated that the Government would pursue the development of alternative sources of energy, including geothermal, wind and solar.[3]

28. In August 2008, the British Virgin Islands hosted a climate change training workshop in collaboration with the Caribbean Community Climate Change Centre, in which Montserrat participated. The purpose of the climate change vulnerability and capacity assessment methodology workshop was to train a multidisciplinary team from Anguilla, Cayman Islands, Montserrat, Turks and Caicos Islands, and the British Virgin Islands in assessing the vulnerability of the tourism sector to climate change.[2]

29. In the context of the Overseas Territories Consultative Council meeting held on 28 and 29 October 2008 in London, the Territory agreed to work to address the potential impact of climate change in the Overseas Territories of the United Kingdom and to promote sustainable environmental policies in the Territories with

[11] See http://ec.europa.eu.

[12] Information provided by the administering Power on 13 January 2009.

additional support from the United Kingdom Department for the Environment, Food and Rural Affairs.[13]

30. Hurricane Omar brought tropical storm conditions to Montserrat during the night of 15 October 2008.[14] Subsequently, the Disaster Management Coordination Agency of the Territory carried out damage assessments and found that damage was minimal.[15]

V. Economic conditions

A. General

31. The gross domestic product (GDP) of Montserrat reached approximately EC$ 123 million and the per capita GDP was EC$ 20,598 in 2007, the most recent figures available. According to an International Monetary Fund mission to the Territory in February 2009, economic growth in Montserrat was approximately 3.5 per cent in 2008.[16]

32. As previously reported (see A/AC.109/2008/16, para. 27), the economy of Montserrat is dominated by public sector-led investments and projects. Volcanic activity and hurricane damage, the resultant movement of population and commercial centres and the attendant socio-economic difficulties continue to create tremendous difficulties for Montserrat. As spelled out in the previous section, budgetary aid from the United Kingdom, as well as other assistance, have been needed since 1995 to support Government programmes.[16] The economy has approximately 200 business establishments, large and small, in its private sector. Just over 25 per cent of business is involved with the provision of financial, professional, personal and other household services.[17]

33. In 2008, the Chief Minister stressed that the Government approach to public expenditure included the following private-sector-oriented development areas: working with as many businesses as possible, outsourcing technical work and approved services to competent local firms, easing the burden of tax arrears for individuals and businesses, rewarding individuals and businesses who make substantial investments in the economy, improving the facilitation of investments to the island and devising clear policies and programmes for the development of the private sector.[3]

34. Also in 2008, the territorial Government initiated a process to strengthen the Montserrat Development Corporation to a level where it could provide one-stop shopping for investment on the island and provide business facilitation services, with a view to ensuring that large foreign direct investments were dealt with expeditiously. That process is expected to be completed in 2009.[3]

[13] See www.fco.gov.uk.

[14] See travel advice, available from http://www.fco.gov.uk.

[15] See www.reliefweb.int.

[16] See www.gov.ms.

[17] See http://www.devunit.gov.ms.

B. Agriculture

35. As a result of the ongoing volcanic crisis, the majority of fertile agricultural lands, pasture and fishing areas are either restricted or inaccessible. According to the *Economic Survey of the Caribbean 2007-2008*, the performance of the agriculture sector in Montserrat was disappointing.[18]

36. According to the territorial Government, in 2008, arrangements were made by the Montserrat Ministry of Agriculture to advance an import substitution programme to reduce reliance on imported agricultural products. The agriculture feeder roads and the small business grants to young farmers during 2007-2008, financed by the CARICOM Petroleum Stabilization Fund, had significantly increased both the area cultivated and the productivity of farmers working in the Duck Pond, Dick Hill and Blakes Mountain areas. The activities were meant, inter alia, to provide the foundation for the establishment of a food processing laboratory that is expected to improve the shelf life of products produced locally.[3]

C. Financial services

37. Two commercial entities, the Bank of Montserrat and the Royal Bank of Canada, as well as several offshore banks, continue to operate in Montserrat, providing a range of banking facilities. There has been no activity for the past few years in regard to the incorporation of new banks.[19] Montserrat is a member of the Eastern Caribbean Central Bank, which is based in the neighbouring island of St. Kitts and acts as central bank for Montserrat. Among other functions, the Bank monitors the commercial banks' reserves. Montserrat is part of the Eastern Caribbean Stock Exchange. Montserrat is also a member of the Caribbean Financial Action Task Force, the body that monitors anti-money-laundering and the countering of financing for terrorism in the region.[4]

38. The United Kingdom Foreign Affairs Committee report issued in July 2008 stated, inter alia, that the United Kingdom was directly responsible for money-laundering-related regulation in the Territory.[20] In that connection, the administering Power indicated subsequently that action was in hand to produce modern crime legislation in both Anguilla and Montserrat.[21]

39. As previously reported (see A/AC.109/2008/16, para. 34), individual residents in the Territory are taxed on their worldwide income, from all sources. Also, tax is levied and collected on the chargeable income paid by any incorporated company, building society or body of persons. Companies pay a 30 per cent tax on profits. There is no capital gains tax in Montserrat.[22]

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[18] *Economic Survey of the Caribbean 2007-2008*, available from http://www.eclac.cl/cgibin/getProd.asp?xml=/publicaciones/xml/4/33844/P33844.xml&xsl=/portofspain/tpl-i/p9f.xsl&base=/portofspain/tpl/top-bottom.xsl.

[19] See http://www.devunit.gov.ms/banking.htm.

[20] See Foreign Affairs — Seventh Report, available from www.publications.parliament.uk.

[21] See Seventh Report of the Foreign Affairs Committee Session 2007-08 Overseas Territories, Response of the Secretary of State for Foreign and Commonwealth Affairs, September 2008, Cm 7473, page 28, available from www.fco.gov.uk.

[22] See http://www.devunit.gov.ms/company.htm.

D. Tourism

40. The redevelopment of the tourism industry continues to be a priority of the territorial Government. Tourism, once the most significant contributor to the local economy, the tourism industry has been a major casualty of the island's ongoing volcanic activity. According to Caribbean Tourism Organization statistics for 2008, 251 cruise passenger and 7,360 tourist arrivals were registered in Montserrat, constituting an 8.1 per cent and a 5 per cent decrease, respectively, compared to the previous year.[23] However, as previously reported (see A/AC.109/2008/16, para. 36), Montserrat is trying gradually to turn the fact that it has an active volcano into a selling point, inter alia, by promoting adventure tourism. For instance, since the pristine waters of Montserrat remained untouched for a period of time during and following the volcanic eruptions, allowing a resurgence of underwater life, the tourist sector promotes those conditions for sport-fishing.[2]

41. In 2008, the territorial Government decided to approve investments totalling over EC$ 5 million in tourism-related projects.[3] According to the administering Power, tourism is expected to rebound in the coming years, with external funding for a three-year tourism development programme, valued at EC$ 15.5 million, to commence in early 2008. The project components include a number of marketing and promotional initiatives intended to increase the profile of Montserrat in the international travel marketplace. The project also seeks to implement several product development activities, such as enhancement of hiking trails, improvement of beach facilities and the preservation of historical sites and buildings.[4]

42. Ferry service between Antigua and Montserrat resumed in December 2008 after a hiatus of three and a half years. During 2008, scheduled air services were available through the St. Maarten-based airline Winair, which operates several daily flights from Antigua. Moreover, air charters can be booked on fixed-wing aircraft and helicopters based in Antigua.[5]

E. Construction and housing

43. In 2007, the construction sector, which is a major contributor to economic activity in Montserrat, declined by approximately 11 per cent.[18]

44. As previously reported (see A/AC.109/2008/16, para. 39), two public sector projects, the housing development project in Look Out (funded by the European Union and the public market) and the Little Bay development project (a four-phase project to be completed over a 10-year period with assistance from the United Kingdom and the European Union), were under way during 2008. The Little Bay development project, implemented under the aegis of the Montserrat Development Corporation, aims at establishing an economic, social, cultural, residential, business and administrative centre for the Territory. The project includes the development of infrastructure for the town centre, the design and tendering for the new port at Little Bay and reconstruction of the main roads from Belham in the south to Look Out community in the north.[24] It is expected to generate over EC$ 60 million for the economy of the Territory over the next three years.[3]

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[23] Caribbean Tourism-latest statistics, available from www.onecaribbean.org.

[24] See www.caribbeannetnews.com and http://www.mondevcorp.com/master.swf.

45. In 2008, the territorial Government announced the establishment of a housing assistance programme to remove people from emergency shelters, house vulnerable people within the community and assist people to qualify for mortgages from financial institutions.[3] For instance, in the beginning of June 2008, the Government started a housing project construction at Sweeney's. The territorial Government committed to providing satisfactory housing for people who live in substandard or inappropriate living conditions, with a view to emptying the emergency shelters opened right after the volcanic eruptions of 1995.[2]

46. The territorial Government has indicated that housing remains a major problem for people who have lost their homes or have no access to properties that have been evacuated in Plymouth and its environs. Those people have been paying rent or, in some cases, paying a mortgage for the home in the evacuated area in addition to a mortgage for a home in the north of the island, while others have abandoned their mortgages and left the Territory. Consequently, the Government of Montserrat has agreed to write off the equivalent of $2.9 million owed by such people and notified the Bank of Montserrat accordingly.[3]

F. Utilities and communication

47. In a process begun in 2007, the Montserrat Electricity Services and the Montserrat Water Authority are gradually being merged to become Montserrat Utilities Limited, which will be responsible for the distribution of water and electricity throughout the inhabited portion of the Territory. Since February 2009, residents of Montserrat have been receiving detailed explanations about the merger of the two service companies through a radio and television campaign.[25]

48. As previously reported (see A/AC.109/2008/16, para. 42), the entire population has access to Montserrat's plentiful supply of good potable water (about 98 per cent of residents are linked). The Montserrat Water Authority takes water from springs high in the mountains, treats it lightly and then stores and distributes it to customers through its network of pipes and reservoirs. It also has responsibility for sewage treatment in some areas, notably Look Out and Davy Hill.[26]

49. With regard to the communications sector, the territorial Government indicated in 2008 that telecommunications development was seen as critical for the development of the Territory and that legislative efforts in that regard were under way. As a result of the intended liberalization of the telecommunications sector, the territorial Government has held meetings with Cable & Wireless and had expressions of interest and proposals from other providers.[27]

50. As previously reported (see A/AC.109/2008/16, para. 43), electronic mail is widely used, making communications relatively easy. Asymmetric digital subscriber line is gradually being introduced. There is a regular mail service between Montserrat and all countries.

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[25] See www.giu.gov.ms.

[26] See http://www.mul.ms/about%20us.html.

[27] Chief Minister, 28 March 2008 budget statement, available from www.montserratreporter.com; http://www.caribbean-investment.org/news/2008/03/28/205/.

51. In July 2008, the territorial Government made it known that EC$ 1.5 million would be allocated to build a two-storey building for Montserrat's ZJB public radio.[2]

VI. Social conditions

A. General

52. The volcanic crisis has had a profound effect on traditional social structures and support systems, with many families and communities split up and relocated to various parts of the world. In 2008, the Montserrat social security programme was being reformed in order to achieve sustainability in the longer term. The territorial Government indicated that the changes included raising the retirement age, modifying the short- and long-term benefit accrual rates and restructuring the various benefits to reflect local circumstances.[2]

53. The territorial Government stated that the estimated expenditure for statutory payments, including loan repayments, pensions, social security and tax refunds, was approximately EC$ 12 million.[3]

54. According to the territorial Government, its social welfare services function focuses on the needs of the most vulnerable persons, including the elderly, the mentally challenged, the physically challenged, children and low-income households. Social welfare services in Montserrat include monthly financial assistance, rental assistance and one-time assistance for items such as food, school lunch, school supplies, utilities and essential household equipment, as well as burials. All social welfare assistance cases are "means-tested" to determine the individual's or household's financial situation and whether they qualify for assistance or are able to help themselves.[28]

B. Labour

55. According to the administering Power, the working population of Montserrat stands at about 2,500, comprising approximately 40 per cent nationals and 60 per cent non-nationals. Montserrat maintains a positive industrial relations climate, within which every effort is made to ensure that workers, unions, employees and other stakeholders in the economy work together to achieve national development goals. Labour relations are governed by the Employment Act (Revised 2002), under which the Labour Department continues to provide mediation and conciliation services, with the Labour Tribunal settling disputes.[4]

56. According to the administering Power, following the offer of the territorial Government in 2007 to provide fiscal incentives for returning nationals who had resided elsewhere for three or more years, a programme of rehousing was launched in 2008 to assist with the repatriation of Montserratians.[4] As previously reported (see A/AC.109/2008/16, para. 48), the territorial Government said persons eligible under that policy would be granted a variety of tax incentives.[2]

[28] Ministry of Health and Community Services, http://manishval.com/moh/?page_id=45.

57. The continuing shortage of skilled labour is being addressed by granting work permits to non-nationals. The granting of work permits is covered under the Immigration Act 2002. The territorial Government facilitates the active recruitment of skilled labour, both professional and otherwise, to meet demand.[4]

58. During 2008, the territorial Government began work to revisit population, labour and immigration policies with a view to encouraging population growth. The policies would be designed to be sufficiently flexible to cover persons from other countries who wished to work in Montserrat and abide by its laws.[3]

C. Education

59. The Montserrat Department of Education is responsible for the development and provision of educational and training programmes intended to enable its citizens to acquire skills that can contribute positively to the future of the Territory.[29] Estimated expenditure on education was budgeted in 2008 at approximately EC$ 8.3 million.[3] In July 2008, the territorial Government notified Montserratians of its intent to meet the economic costs of private students attending the University of the West Indies,[2] as it continues to implement the Education Development Plan covering the period 2004-2009. For its part, the Bank of Montserrat announced in November 2008 the launch of a scholarship assistance programme to cover most of the expenses of two sixth-graders entering secondary school.[2]

60. As previously reported (see A/AC.109/2008/16, para. 51), Montserrat has educational infrastructure that provides 100 per cent access to primary and secondary education. The Montserrat education system is broadly based on the British system. The Department of Education is structured into several specialized organizational segments: Early Childhood Education, Primary Education, Secondary Education, Post-Secondary Education, Special Needs, Teacher Training, as well as Education Support Services. There are several Government day-care facilities and nursery schools, and one privately owned early childhood facility. Of the three primary schools, one is privately owned. The Government-owned Montserrat Secondary School is the only secondary school.[30] In February 2009, an early childhood education centre was opened in Salem, located on the compound that was once the Salem primary school.[31]

61. Efforts began in 2008 towards the construction of a national library and archives, with the intention of completing the facilities by 2010.[3]

D. Health

62. The Department of Health of the Territory is responsible for providing primary and secondary health services to Montserrat, along with health-related policy advice to the territorial Government.[32] Estimates in 2008 put life expectancy in the Territory at 72.6 years for the whole population, approximately 74.7 years for males and 70.4 years for females.[1]

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[29] See www.mehcs.gov.ms.

[30] See www.mehcs.gov.ms/Education/schools.htm.

[31] See http://www.themontserratreporter.com/index.pl/article_local?id=2558604.

[32] See http://manishval.com/moh/?page_id=37.

63. The estimated expenditure on health care was budgeted in 2008 at EC$ 15.7 million.[3] During 2008, the territorial Government has continued to provide medical assistance on- and off-island for people in need, including foster children, covering areas such as general medical care, surgical care, diagnostic testing, eye and ear care and medication.[28] It continues to offer free dental clinical emergency services for school-age children, the elderly, pregnant women and certain Government staff.[33]

64. As previously reported (see A/AC.109/2008/16, para. 53), Montserrat has health facilities that include the 30-bed St. John's Hospital in the north, which is able to cover all routine health issues, X-rays and minor operations, as well as several primary care clinics. Arrangements are in place for emergency medical evacuation to Antigua and Guadeloupe. In 2008, the Ministry of Health of the Territory began work on the development of a new and improved hospital facility. The wards and other departments will be built in a phased manner, gradually replacing some of the existing buildings. Health staff were given an opportunity to offer their input into the process.[34]

65. In July 2008, the territorial Government received medical equipment from the Government of Gibraltar, which included physiotherapy and radiology equipment, general medical equipment, sundry items and specialist equipment such as anaesthesia delivery units.[2]

E. Human rights

66. Under the Constitution of the Territory, provision is made regarding the fundamental rights and freedoms of the individual.[35] As previously reported (see A/AC.109/2008/16, para. 55), the following international human rights instruments were extended to Montserrat: the European Convention on Human Rights; the International Covenant on Economic, Social and Cultural Rights; the International Covenant on Civil and Political Rights; the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; the Convention on the Rights of the Child; and the International Convention on the Elimination of All Forms of Racial Discrimination. According to the administering Power, there is no discrimination on the basis of sex in the implementation of articles 2 and 3 of the International Covenant on Civil and Political Rights.

67. In 2008, the territorial Government signed the United Nations Children's Fund Country Programme Action Plan 2008-2011, which seeks to promote mutual agreement and cooperation for the fulfilment of the Convention on the Rights of the Child, and the Convention on the Elimination of All Forms of Discrimination against Women.[2]

68. Montserrat's human rights committee, established by the Executive Council, helps fulfil the territorial Government's responsibilities in meeting the reporting requirements under various international conventions; monitors the implementation of the relevant conventions; and advises the Government on matters related to human rights.

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[33] See http://manishval.com/moh/wp-content/uploads/2008/11/Health_Services_Available.ppt.

[34] See http://manishval.com/moh/?p=114, Ministry of Health and Community Services.

[35] See www.opsi.gov.uk.

69. In August 2008, stakeholders met in the Turks and Caicos Islands with the Caribbean human rights coordinator of a four-year project carried out since 2007 by the Commonwealth Foundation, the Commonwealth Legal Education Association and the Commonwealth Human Rights Initiative. The project is funded by the Department for International Development of the United Kingdom and the British Foreign and Commonwealth Office, with the view to help the Overseas Territories of the United Kingdom conform with international standards concerning human rights obligations and develop related action plans.[2]

F. Crime and public safety

70. In 2008, the territorial Government allocated approximately EC$ 10.5 million to fund the judiciary and internal security services (police, legal, magistracy, supreme court).[3]

71. Under the Parole of Prisoners Act 2004, a Parole Board reviews cases for release into the community on licence, and makes recommendations to the Governor. Criminal offences are dealt with under the Penal Code of Montserrat, revised in 2002.[4]

72. The Royal Montserrat Police Force has a fully functioning police headquarters within the Government headquarters complex at Brades, as well as two substations and a marine unit. The five-year strategy of the Royal Montserrat Police Force places emphasis on neighbourhood policing, intelligence-led policing, crime reduction and prevention and partnership in the criminal justice system.[4]

73. According to the administering Power, concerns about the rise in youth crime and lack of discipline remain constant and are being responded to by the introduction of a territorial Government department for youth issues and the establishment of specific cross-departmental strategies. The influx of new communities to the island has provided renewed challenges that have yet to be fully addressed. The year 2008 saw a significant increase (over 200 per cent) in crimes of acquisition, particularly burglary. At the same time, the opportunity for forensic development and success was limited and dependent on expensive overseas analysis.[4]

74. Public safety remains a priority for the police and fire services, in particular their responsibilities with regard to monitoring the exclusion zone and the provision of a search and rescue team. The number of road traffic accidents is increasing each year. Moreover, in view of a long period of drought, enforcement officers are expected to be vigilant in ensuring that members of the public act in a manner that would not lead to major fire hazards.[4]

VII. Relations with international organizations and partners

75. Montserrat is an associate member of the Economic Commission for Latin America and the Caribbean and its subsidiary bodies. The Territory receives some support from the United Nations Development Programme.

76. Montserrat is a member of CARICOM and OECS, as well as of the institutions associated with those organizations, including the University of the West Indies, the Caribbean Development Bank and the Eastern Caribbean Central Bank.

77. According to the administering Power, Montserrat has expressed a desire to participate in the CARICOM Single Market and Economy.[3] By June 2008, no agreement had been reached between the United Kingdom and Montserrat on the matter.[2] In response to a question to the Secretary of State for Foreign and Commonwealth Affairs as to whether he had agreed to the request of the Chief Minister of Montserrat for the island's accession to the CARICOM Single Market and Economy, Parliamentary Under-Secretary of State Meg Munn replied on 9 July 2008 that she had written to the Chief Minister on 12 June 2008 regarding the matter. The Parliamentary Under-Secretary of State had suggested, inter alia, that the Government of Montserrat defer the question of accession for two years or until such time as levels of economic activity and capacity were sufficiently enhanced to enable Montserrat to take full advantage of the benefits of membership.[36]

78. In July 2008, heads of Government of the CARICOM member States expressed their deep disappointment that the Government of the United Kingdom had denied the request of Montserrat for an entrustment which would enable that CARICOM member State's participation in the CARICOM Single Market and Economy. Heads of Government urged the Government of the United Kingdom to review its position on the entrustment.

79. In October 2008, it was reported that Montserrat would join consultations held by OECS member States on a proposed economic union to be carried out in 2009.[37] In that connection, it was announced that the OECS secretariat was embarking on several initiatives to develop enhanced support systems for the proposed union. One such initiative is a collaborative undertaking with the Caribbean Subregional Office of the International Labour Organization (ILO) to develop and implement an OECS labour market information system.[2]

80. As a Non-Self-Governing Territory of the United Kingdom, Montserrat is associated with the European Union but is not a part of it. According to information provided by the administering Power, Montserrat is considering joining the Caribbean Economic Partnership Agreement, which is a trade agreement recently negotiated between CARICOM and the European Union.

81. In the context of the Overseas Territories Consultative Council meeting held on 28 and 29 October 2008, the territorial Government agreed upon the target date of October 2009 for the extension of ILO Convention No. 182 on the worst forms of child labour and the Convention on the Elimination of All Forms of Discrimination against Women, and to consider the options available to meet international obligations on sexual orientation.[38]

[36] See http://www.publications.parliament.uk/pa/cm200708/cmhansrd/cm080709/text/80709w0023.htm.

[37] See www.oxan.com, Oxford Analytica.

[38] See www.fco.gov.uk.

VIII. Future status of the Territory

A. Position of the territorial Government

82. The position of the Government of Montserrat on constitutional reform is set out in section II above, which deals with the ongoing constitutional negotiations between Montserrat and the Government of the United Kingdom.

B. Position of the administering Power

83. In a statement made on 6 October 2008 before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-third session of the General Assembly, the representative of the United Kingdom said, inter alia, that the relationship of her Government with its Overseas Territories was based on partnership, shared values and the right of each Territory to determine if it wished to retain its link to the United Kingdom, where applicable. Her Government had no intention of imposing independence against their will (see A/C.4/63/SR.2).

84. She referred to various constitutional review processes that had been undertaken, aimed at providing a modern constitutional framework to reflect the specific circumstances of each Territory. Provisions relating to good governance, human rights and the roles of the Governor and locally elected politicians had been updated. She stated that her Government's support for the Territories focused on capacity-building and sustainable development, and indicated that the United Kingdom continued to work with the Territories, as appropriate, in areas such as political and economic transparency, security, reduction of vulnerability to natural and non-natural disasters and environmental management.

85. In a paper dated 8 May 2008, sent to the Chair of the Special Committee for circulation at the Pacific regional seminar on decolonization held in Bandung, Indonesia, later that month, the United Kingdom similarly set out its position,[39] as based on the 1999 white paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories" (see A/AC.109/1999/1, annex). The paper also addressed the status of various constitutional review processes undertaken in the framework of the white paper.

C. Action taken by the General Assembly

86. On 5 December 2008, the General Assembly adopted, without a vote, resolutions 63/108 A and B, based on the report of the Special Committee transmitted to the General Assembly[40] and its subsequent consideration by the Special Political and Decolonization Committee (Fourth Committee) (A/63/408). Section VII of resolution 63/108 B concerns Montserrat. Under that section's operative paragraphs, the General Assembly:

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[39] The full statement can be found at: http://www.un.org/depts/dpi/decolonization/regional_seminars_statements_08/united_kingdom.pdf.

[40] *Official Records of the General Assembly, Sixty-third Session, Supplement No. 23* (A/63/23).

"1. *Welcomes* the efforts of the territorial Government to continue to negotiate improvements to the Constitution of the Territory so as to preserve its ability to move towards greater self-determination at a later stage;

"2. *Requests* the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations and, in that regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

"3. *Calls upon* the administering Power, the specialized agencies and other organizations of the United Nations system, as well as regional and other organizations, to continue to provide assistance to the Territory in alleviating the consequences of the volcanic eruption."

United Nations A/AC.109/2009/7

General Assembly

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Bermuda

Working paper prepared by the Secretariat

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I. General

1. Bermuda is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory is located in the western part of the Atlantic Ocean, about 917 kilometres east of the nearest continental shore, the North Carolina coast of the United States of America. The Territory, covering 57 square kilometres, consists of 8 major and 130 smaller islands. The largest is Great Island, or Main Island. Hamilton, the capital, and St. George's are the two main towns.

2. Bermuda was discovered by Spanish navigator Juan de Bermudez in 1505. Bermuda remained uninhabited until 1609, when it was settled by a group of English colonists; in 1610 the first slaves were brought to work on the farms and to dive for pearls. The islands were administered under charter of the Virginia Company and successor companies, until the arrangement was dissolved in 1684 and government was fully assumed by the Crown. In 1620, the first Parliament was held after the Crown granted the colony limited self-government. In 1968, Bermuda was granted internal self-government and a new Constitution.

3. The year 2009 marks the four hundredth anniversary of continuous human settlement in Bermuda. To mark the event, the Ministry of Culture and Social Rehabilitation will establish a Cultural Legacy Fund with $100,000 as seed funding. According to the Minister of Finance, the Fund will be used to promote, transform and preserve the art and culture of Bermuda through support of cultural initiatives of national significance.[1]

4. In 1995, a referendum was held on the question of independence. Of the 58.8 per cent of eligible voters who participated, a small number by Bermudian standards, 73.6 per cent voted against independence. The then-opposition party had organized a boycott of the referendum among supporters of independence arguing that the issue should be resolved by general election.

5. In 2008, the population of Bermuda was estimated to be 64,209,[2] up from 62,059 during the 2000 census. Approximately 55 per cent of the population is black, 34 per cent white and the remaining 11 per cent mixed or other races, with an estimated annual growth rate of 0.55 per cent.[3] The Territory is the third most densely populated place in the world, with approximately 3,300 inhabitants per square mile, and with all of its population living in urban areas.

6. The Overseas Territories Act, which came into force in 2002, provides British citizenship to the peoples of its Territories, including Bermudians. That law allows Bermudians to hold British passports and to work anywhere in the European Union.

Note: The information contained in the present working paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[1] Budget statement 2009/10 presented by Paula A. Cox, J.P., Minister of Finance, 20 February 2009, www.gov.bm.

[2] Bermuda Government, Department of Statistics, Population Projections, 2000-2030, available from bermuda-online.org/bdagovt.htm.

[3] Central Intelligence Agency, The World Factbook, available from www.cia.gov/.

II. Constitutional, legal and political issues

7. The Constitution of Bermuda, adopted in 1968, was amended in 1973, 1979, 1989, 2001 and 2003. The Governor (and Commander-in-Chief) is appointed by the United Kingdom, after consultations with the Territory's Premier. The Governor is responsible for defence, external affairs, internal security and the police. The current Governor of Bermuda, Sir Richard Gozney, took office in December 2007.

8. The Territory has a parliamentary system of government, comprising a Governor, a Deputy Governor, a Cabinet and a bicameral legislature, with a House of Assembly of 36 members directly elected for a five-year term and a Senate of 11 appointed members. Five members of the Senate are appointed by the Governor, on the advice of the Premier, three on the advice of the leader of the opposition and three by the Governor at his discretion. The Governor appoints as Premier the member of the House of Assembly who appears to him or her to be best able to command the confidence of a majority of the members of that House. The Premier heads a Cabinet that may not comprise more than 14 members of the legislature.[4]

9. In the United Kingdom Committee of Foreign Affairs report issued on 7 July 2008, the Committee recommended that the Government of the United Kingdom encourage the Bermuda Government to strengthen its transparency measures, including by establishing an independent electoral commission and ending the practice of Committees of the House of Assembly sitting in camera, that is, without any public disclosure of meetings or their proceedings.[5]

10. Bermuda's law and legal system are based on English common law and principles of equity, English statute law (in force since 1612) and Acts of the Bermuda Parliament passed since then. The judiciary is a separate body from the Government, and its members are not elected but are appointed on the advice of the Chief Justice. There are three courts presiding in Bermuda, namely, the Magistrates' Court, the Supreme Court and the Court of Appeal.

11. There are two official political parties in the Territory. The Progressive Labour Party (PLP) was formed by the black majority in 1963. The United Bermuda Party (UBP) was formed in 1964, largely by the white population. In the 1998 general election PLP defeated UBP and took power for the first time in the 30 years since the party system began in 1968. The party was re-elected for a second five-year term in 2003. The current Premier, the Honourable Dr. Ewart Brown, took office on 30 October 2006, following his election as the leader of the governing PLP, replacing Alexander Scott in each capacity. During the latest general election, held on 18 December 2007, Dr. Brown was re-elected as Premier of Bermuda, with PLP retaining their majority of 22 of the 36 seats in the House of Assembly. The next general election is due to be held in 2012.

12. Voters in the general and other elections or referendums must be 18 years of age and Bermudian by birth or status, or non-Bermudian long-term residents who are citizens of the British Commonwealth and registered to vote annually since 1979. According to the administering Power, in the 2007 general election there were approximately 42,300 registered voters, about 66 per cent of the total population, an

[4] Information transmitted by the administering Power, 11 January 2007.

[5] Seventh report of the Foreign Affairs Committee session 2007/08, Overseas Territories.

increase of 3,000 compared to the 2004 elections. Voter turnout was approximately 76 per cent, with the number of votes cast at 32,028.

13. In significant measures, racial divisions in Bermuda continue to be played out in the support for, or opposition to, independence and the method to be used to ascertain the wishes of the population on that question. The ruling Progressive Labour Party wants the issue of independence settled in the context of an election, arguing that the pattern around the globe has been to resolve the independence process by means of a general election. The opposition United Bermuda Party favours using a referendum, as it sees a referendum as a more democratic approach to the process and the public will be encouraged to focus directly on a single issue.

14. As previously reported, the Bermuda Independence Commission, set up in December 2004, issued an official report in August 2005.[6] On the question of the use of either a general election or a referendum to test public opinion on independence, the Commission concluded that it was incumbent upon both political parties to share the merits of each method.

15. In November 2005, the speech delivered by the Governor on the occasion of the opening of Bermuda's Parliament (known as the Speech from the Throne), reflected the position of the territorial Government that independence was a natural progression for a mature jurisdiction such as Bermuda.

16. Since late 2006, when the Premier announced that independence was "not on the front burner" but that it was "still on the stove", there has been no mention of the issue by either the Governor or the Premier in their annual speeches.

17. The latest opinion poll, carried out in July 2007, showed public sentiments at previous levels, with 63 per cent opposed to independence, 25 per cent in favour and 12 per cent undecided.

III. Budget

18. Bermuda's fiscal year begins in April. The 2009/10 budget remains unchanged from the previous year, at $1.1 billion.[1] To avoid increasing any major tax rates, the Government plans to call upon some of its reserves and the balances in its Confiscated Assets Fund to cover some of the required expenditure in 2009/10 and to limit the level of debt incurred in Government borrowing. The Government borrowing in the budget is limited to investment in hard assets for infrastructure as part of the multi-year phased capital expenditure programme and to Government guarantees to support public-private partnerships.

19. In the national budget for 2009/10, the Ministry of Finance announced that it had marshalled all resources at the disposal of the Government for the implementation of economic and financial contingency plans, should that become necessary in the case of a prolonged recession. The Ministry of Finance estimated that the gross domestic product of Bermuda will decline by 1 to 1.5 per cent during the period in question.[7]

[6] Report of the Bermuda Independence Commission, August 2005.

[7] Government of Bermuda, Ministry of Finance National Economic Report of Bermuda 2008.

IV. Economic conditions

A. General

20. The official currency of Bermuda is the Bermuda dollar. On a one-to-one basis, the Bermuda dollar is pegged to the United States dollar.[8]

21. The economy of Bermuda continues to be based primarily on providing financial services for international business and on tourism.[5] Most capital equipment and food must be imported. The industrial sector of Bermuda is small, although construction continues to be important. Agriculture is limited, as only 20 per cent of the land is arable.[3]

22. Against a backdrop of economic, financial and potential international regulatory challenges for Bermuda, owing to the global economic recession, the Finance Minister announced that the main objective of the Government for the period was to facilitate and stimulate growth, whenever possible, in order to sustain employment levels and household incomes. The Government also announced its intention to assist Bermudians as needed, with the condition that businesses that request assistance commit to retain their Bermudian staff.[1]

23. The global economic slowdown is expected to have a negative impact on the total tax yield of the Government in 2009/10. Government therefore is projecting a revenue budget of $969 million for the period, some $16 million below the original estimate of $985 million for 2008/09.[9] At the start of the budget cycle for 2009/10, the Ministry of Finance issued a general direction to ministries to seek a 10.5 per cent reduction from the 2008/09 approved budget so that the Government could accommodate new programmes without tax increases.[1]

B. Financial services

24. Bermuda is one of the world's leading offshore financial and business centres and is among the major jurisdictions worldwide in large-scale insurance and reinsurance. There is no central bank in the Territory. The Bermuda Monetary Authority is the regulatory authority for banks and trust companies.

25. Over the past several years, the international business sector has had the highest number of new jobs of all sectors of the economy. However, in 2008, the increase in jobs was minimal and the numbers are expected to be similar for 2009. It is anticipated, however, that international business will continue to drive the economy and provide the largest positive contribution to gross domestic product for the foreseeable future.

26. There were 15,201 international companies registered in Bermuda at the end of 2008, a decline of 177 companies, or 1.2 per cent less than the total at the end of 2007. Over the first nine months of 2008, foreign exchange earnings of the international companies grew by $427 million to $1.5 billion, representing a 38.7 per cent increase.

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[8] See www.bermudasun.org and www.eiu.com.

[9] Pricewaterhouse Coopers Bermuda review 2008 Bermuda budget statement economic overview.

27. In total, 1,032 new exempted companies were incorporated in 2008, compared to 1,427 the year before, representing a decline of 27.7 per cent. At the end of the third quarter of 2008, the total net asset value of collective investment schemes was $196.30 million, a loss of 14.9 per cent year over year. There was also a decrease of 24 mutual funds and unit trusts registered in Bermuda in the 12 months ending in September 2008.

28. In November 2007, the Foreign Affairs Committee of the United Kingdom House of Commons began a comprehensive inquiry into standards of governance, transparency and accountability, the role of governors and regulation of the financial sector for all 14 territories. The inquiry team visited Bermuda in March 2008. In its report, issued on 7 July 2008, the Foreign Affairs Committee recommended that the Foreign and Commonwealth Office encourage Bermuda to continue to make progress in improving financial regulation, in particular, in arrangements for investigating money-laundering.[5]

29. In June 2008, Bermuda passed legislation enabling it to establish its own independent Financial Intelligence Agency. A month later, it was announced that the number of people in the Agency would increase as part of new legislation aimed at combating money-laundering and the financing of terrorism. According to press reports, the new legislation followed a review that showed Bermuda fell short of full compliance with 29 international recommendations on countering money-laundering and fighting the financing of terrorism (see also section V, part F, of the present document, entitled "Crime").[10]

C. Tourism

30. The ongoing global economic slowdown had a negative effect on the tourism industry in Bermuda in 2008. Visitors arriving by air from the United States decreased, which caused a decline in visitor volume overall, as the overwhelming majority of visitors to Bermuda originate in the United States. Air passenger arrivals from the United States declined from 75.1 per cent of total visitors for 2007 to 71.3 per cent for 2008. The total number of visitors arriving by air decreased by 4.6 per cent, from 305,548 in 2007 to 291,431 in 2008. Cruise passenger arrivals declined from 354,024 in 2007 to 286,408, which represents a reduction of 19.1 per cent. The total visitor arrival figures for 2008 fell by 81,733, or 12.4 per cent over the year. Hotel occupancy rates averaged 59.1 per cent in 2008, which is a decline of 11.9 per cent. The Heritage Wharf, a new cruise pier complex at the Royal Naval Dockyard, is scheduled to open in May 2009. As a result of the new facility's capability of docking larger ships, it is hoped that Bermuda will attract an increased number of cruise visitors.

31. On 20 June 2008, the Premier and the United States Secretary of Homeland Security signed a letter of intent whereby passengers and crew of private aircraft departing Bermuda would be pre-cleared for United States customs. The pre-clearance for non-commercial aviation is viewed as enhancing the attractiveness of Bermuda's tourism and financial services. A high number of visitors arrive on

[10] About Bermuda Online, Bermuda Government, Financial Intelligence Agency, available from http://www.bermuda-online.org/bdagovt2.htm.

private flights, which is in line with Bermuda's "Platinum Period" strategy efforts for tourist development, promoting high-end visitors.[11]

D. Construction

32. The construction industry remained active over the first three quarters of 2008, with the estimated value of work carried out during that time increasing by 7.1 per cent and the value of new projects started up by 3.9 per cent. However, in 2009, there is likely to be reduced construction activity following the completion of various major projects. The Government is providing stimulus to the sector with projects such as the Hamilton police station and Magistrates' Court, which are in process. Anticipated Government projects that should come online in 2009 include the Tynes Bay seawater reverse osmosis expansion project and several housing initiatives. The number of jobs in the construction sector rose by 2.8 per cent to a total of 3,644, which is an increase of 100 jobs over 2007.[9]

33. The Ministry of Labour, Home Affairs and Housing has been provided with $137 million for 2009/10, which will partly go towards stimulating construction. In 2008, the building of more affordable rental units was spurred by the Government offering customs duty relief enacted in 2007 to private sector developers for constructing such units.[12] The next phase of one such development, the Loughlands, is expected to be finalized soon and the completion of the rent-geared-to-income Perimeter Lane Development is scheduled for August 2009. In response to the current economic climate, a modification of the original concept and phased implementation of the Government interest-free loans initiative, announced in the 2008 Speech from the Throne, for qualified Bermudians who wish to become first-time homeowners, is still scheduled to go forward.

34. In the United Kingdom Committee of Foreign Affairs report issued 7 July 2008, the Committee recommended that the territorial Government take steps to ensure that allegations that have surfaced with regard to corruption at the Bermuda Housing Corporation in the issuing of contracts be properly investigated.[5]

E. Transport and communications

35. Bermuda has very high-standard transport and telecommunications sectors. There is a network of about 225 kilometres of paved public roads and 400 kilometres of private roads (see A/AC.109/2006/6, para. 25). Bermuda also has one of the highest road traffic densities in the world, with approximately 100 vehicles per kilometre of paved road.[13]

36. Restrictions on car ownership to one per household, coupled with a policy of allowing no rental cars, have resulted in the development of an excellent and well-utilized group transportation system. The free public transportation for students via bus and ferry, which took effect in September 2008, continues. Fifteen new wheelchair-capable, low-floor buses will be delivered and put into service during

[11] The Cabinet Office, Press Secretary to the Office of the Premier, 24 June 2008.

[12] Information transmitted by the administering Power, 9 January 2008.

[13] "The Search for Clean Air": 2004 annual report of the Bermuda Biological Station for Research.

2009. The buses will exceed Euro-4 clean air standards and have increased passenger capacity due to a redesign of the interiors.

37. Bermuda has its own air and ship regulatory agencies. Both the Department of Civil Aviation and the Department of Maritime Administration maintain registries, which are considered to be as stringent as comparable agencies in the United Kingdom and the United States. Automation of the Aircraft Information and Records System to accommodate the continued growth of the register of aircraft is now complete and will be further developed during the end of fiscal year 2008/09.[14]

38. The L. F. Wade International Airport in Bermuda has undergone significant improvement since 2000. The pavement rehabilitation work on the runways, taxiways and aprons at the airport, for which $18.0 million has been allocated, will continue throughout 2009.[6] There are numerous regular commercial flights between Bermuda and a number of destinations, such as Boston, New York, Miami, Atlanta, Newark, Philadelphia, Toronto, London and Washington, D.C. During the summer season, additional carriers are added to accommodate other gateway locations. There has also been a marked increase in general aviation traffic to meet the demand of the international business sector.[14]

39. The international and domestic information and communications technology infrastructure of Bermuda is highly advanced and accessible to the entire population. The island has four international telecommunications service providers, three of which have their own transatlantic facilities, which are supplemented by satellite facilities for special services and emergency communications. Domestic information and communications technology services across the island are provided by a total of nine service providers.[14]

V. Social conditions

A. General

40. Various socio-economic inequalities continue to exist in Bermuda. According to the administering Power, the Territory continues to address the issue of racial equality through the publication of statistics on workforce demographics, education and training and new proposals for legislation, addressed below.[14]

41. In keeping with the emphasis on family and youth in Bermuda, as highlighted in the Governor's November 2008 Speech from the Throne, the Ministry of Culture and Social Rehabilitation has been provided with a budget of $74 million in 2009/10, representing an increase of 23 per cent above its 2008/09 allocation.[1]

42. In November 2008, after several months of policy development, the Ministry launched a much-anticipated child day-care allowance programme to assist low-income families with the cost of day care for children under 4 years of age. The maximum amount available is $800 per month per eligible child. Approximately 300 families have been approved under the programme to date. The programme will continue during fiscal year 2009/10, and $4.4 million has been allocated for that purpose.

[14] Information provided by the administering Power, 29 January 2009.

43. The Ministry of Culture and Social Rehabilitation intends to initiate a juvenile and family treatment system in 2009 to provide for the therapeutic treatment of dysfunctional families. An amount of $500,000 has been earmarked for the programme in 2009/10. The Ministry has also been allocated an increase of $2.4 million for the same period for psychoeducational treatment services for certain youth with behavioural disorders.[1]

B. Labour

44. Based on preliminary 2008 employment data, the total number of jobs in Bermuda increased by 217, from 39,851 in 2007 to 40,068 in 2008, an increase of 0.5 per cent. The public administration sector recorded the greatest increase in the number of jobs of any industrial sector. Employment numbers for the sector rose to 4,223 in 2008 from 4,113 in the previous year. Those 110 jobs equated to a hike in employment of 2.7 per cent. The construction sector recorded the next highest increase in the level of employment in 2008. The number of jobs in that sector rose by 2.8 per cent to a total of 3,644. The hotel sector experienced the next highest level of growth in employment, with employment levels rising from 2,965 in 2007 to 3,046 in 2008, representing an increase of 81 jobs and growth of 2.7 per cent year over year.

45. Although the net change in total employment during 2008 was a positive one, 6 of the 16 major divisions of economic activity recorded a loss in the number of jobs at the end of the calendar year. The sector which recorded the largest loss of jobs was transportation and communications. The reduction of 155 positions exceeded any other sector's losses by 94 posts. The loss represents a decline of 5.6 per cent year over year. With regard to unemployment, an increase is expected in 2009. There is already evidence of that in the retail, hotel, telecommunications and financial service sectors. Higher unemployment will give rise to lower levels of employment income, with the potential for some cutback in consumer spending. That may have a negative effect on retail sales, with the likelihood that sales will slow further in 2009.

46. The Department of Labour and Training plans to expand its Summer Employment Programme and implement the "One Stop Career Centre" to provide a single venue where individuals can explore career options and receive job placement assistance and training, and referrals for further training. The so-called "Hustle Truck Employment Programme" will partner with the Bermuda Housing Corporation and the Department of Labour and Training to provide a wider range of training opportunities to enhance workers' skills and to improve their chances of securing full-time employment.[1]

47. A 2008 annual review of the workforce, undertaken and published by the Commission for Unity and Racial Equality, reinforces the view that representation of black Bermudians in the workforce remains significantly skewed, and that not enough is being done to address the inequality. While blacks represent more than half the workforce, at 54 per cent, they continue to be underrepresented in the senior/executive and mid-management positions and income levels and overrepresented in the non-professional employment levels. In terms of numbers, the survey revealed that black employees accounted for 62 per cent of non-professional jobs, while whites accounted for 66 per cent of executive

management positions. The report noted that business leaders attributed the low percentage of black employees in senior positions to the lack of educational qualifications among black employees.

48. The territorial Government's initiatives addressing race relations are set out in paragraphs 62 and 63 below.

49. In November 2008, with inflation in Bermuda reaching 5.9 per cent, its highest level in 17 years, Labour Minister Lieutenant Colonel David Burch announced that measures had to be taken to ensure that the daily needs of Bermudians were met. Minister Burch said that in response to increasing complaints about illegal workers in construction, the Government had instituted closer scrutiny of all work permits in the sector and had placed electricians, carpenters, masons and plumbers in the restricted category. According to the Labour Minister, the Government is closely monitoring all other industries where anticipated redundancies or layoffs may occur, to ensure that Bermudians are the last to be displaced. Close liaison is occurring between the Department of Labour and Training and the Department of Immigration so that any jobs which become available can first be offered to Bermudians before any consideration is given to issuing work permits.

C. Education

50. Education in Bermuda is compulsory for all children from 5 to 16 years of age and is free in Government schools. Approximately 60 per cent of Bermudian students of compulsory school age attend public schools. The public school system includes 2 senior secondary schools, 5 middle schools, 17 primary schools, 10 preschools, 1 special school and 1 alternative programme. There are two private schools which offer early primary education, as well as a number of other private schools for all ages. Those institutions receive no Government funding, but the Government has the authority to determine the examinations to be taken in the private schools as a means of ensuring appropriate academic standards.[15] For 2009/10, the Ministry of Education was provided with a budget of $149 million.[1]

51. Senior school graduates are prepared for further studies at the Bermuda College or at institutions abroad, mainly in the United States, Canada and the United Kingdom. The literacy rate in the Territory is considered high: 98 per cent of males and 99 per cent of females 15 years of age and over can read and write. Since 2007, citizens from the Overseas Territories have benefited from the home student fee rate at English universities.[16]

52. As previously reported (see A/AC.109/2006/6, para. 34), the 2000 census revealed a serious disparity between the proportion of white students going to private schools (three quarters) and black students enrolled in the Government educational system. The quality of education in Bermuda public schools has been a frequent issue in the media, with, in recent years, only about half of the students attending public schools graduating from high school. In 2008, however, 71 per cent of the students who had entered senior school four years prior did graduate.

[15] See Bermuda Education Department, 23 February 2009, http://www.bermuda-online.org/educate.htm.

[16] Lord Triesman, Overseas Territories Minister, eighth annual meeting of the Overseas Territories Consultative Council on 21 and 22 November 2006, available from www.fco.gov.uk.

53. In response to concerns about the quality of public education, the territorial Government, in February 2007 commissioned a report on the state of the public school system, which led to the creation of an Interim Executive Board that has been charged with overseeing a restructuring of the system. In 2009, that Board will be dissolved and some of its members will become members of the statutory Board of Education.[14]

54. According to information provided by the administering Power, the 1996 Education Act was amended in 2008 to reflect the implementation of an accountability model, in which schools are rewarded when student growth is demonstrated and where interventions are implemented for schools which perform at a low level. The amendment also established the post of Commissioner of Education, who is responsible for the day-to-day oversight of the Department of Education, which includes all schools.[14]

55. According to information provided by the administering Power, the Bermuda College is the main educational facility that offers tertiary education in Bermuda. The College receives a grant from the Bermuda Government, and its operations are overseen by a Board of Governors. As of September 2008, students who enter the Bermuda College from one of the local senior schools and who enrol in an approved course of study at the College no longer have to pay any tuition fees.[14]

56. During 2009/10, Bermuda College will complete its final self-study towards institutional accreditation through the New England Association of Schools and Colleges and prepare for a final site visit in 2010. In addition, steps will be taken to ensure that the motor vehicle technology programme at the College will become accredited. The College will introduce relevant and proven student success and retention strategies including piloting learning communities for freshmen students in the fall of 2009 and peer advising. In order to continue to support the pursuit of further education and qualifications by Bermudians, the College will implement the new "nursing pathways" programme in partnership with the Ministry of Health and the Bermuda Hospitals Board and enter into partnership with institutions in the United Kingdom so that students may have a seamless transfer as they take advantage of the benefit of home fees in the United Kingdom.[1]

D. Health

57. According to information provided by the administering Power in 2007, population projections continue to indicate that two major demographic phenomena will dominate Bermuda in the future years: an ageing population and a low fertility level. Life expectancy at birth is 80 years for women and 75 years for men. However, as previously reported, life expectancy among blacks in Bermuda is nearly four years less than for whites.[17] Chronic diseases continue to account for a disproportionate number of health challenges in Bermuda. Government efforts towards promoting wellness and fitness and aggressive programmes to curb lifestyles that lead to diabetes, hypertension and obesity will be a major focus of the Ministry of Health in 2009.[18]

[17] "Bermuda health systems and services profile", report prepared for the Ministry of Health and Family Services of Bermuda by Dr. Marcelo Ramella, April 2005.

[18] See "2008 Speech from the Throne", available from 7 November 2008, www.gov.bm.

58. According to the Governor's 2008 Speech from the Throne, too little attention has been paid to the mental health of Bermudians, producing an atmosphere of taboo in dealing with issues of that nature. The Government pledged to provide a comprehensive framework for the implementation of a mental health treatment programme to better deal with the needs of offenders within the corrections system (see A/AC.109/2006/6, para. 36).

59. There is no comprehensive, publicly funded health insurance, although hospitalization insurance is mandatory for all employed or self-employed persons. Nonetheless, insurance coverage is nearly universal, and some persons are insured by more than one provider (see A/AC.109/2006/6, para. 36). During 2009, the Government will undertake work on a replacement facility for one of the Territory's two hospitals, the King Edward VII Memorial Hospital (see A/AC.109/2006/6, para. 36). Both hospitals are operated by the Bermuda Hospitals Board, a statutory body financed by the Government.

60. For 2009/10, the Ministry of Health has been provided with a budget of $177 million, up from $151.7 million during the previous financial year. According to the 2009/10 budget statement, $10 million has been set aside for the launching, in April 2009, of "future care", a programme geared towards assisting senior citizens to enhance their range of health-care benefits.[19]

E. Human rights and related issues

61. In August 2008, stakeholders met in the Turks and Caicos Islands with the Caribbean human rights coordinator of a four-year project carried out since 2007 by the Commonwealth Foundation, the Commonwealth Legal Education Association and the Commonwealth Human Rights Initiative. The project is funded by the United Kingdom Department for International Development and the Foreign and Commonwealth Office, with a view to helping the United Kingdom Overseas Territories conform with international standards concerning human rights obligations and develop action plans. At the meeting, human rights capacity-building in the United Kingdom Overseas Territories of the Caribbean, Pacific and South Atlantic project was discussed.

62. As previously reported (see A/AC.109/2008/10, para. 66) Citizens Uprooting Racism in Bermuda (CURE) has engaged national partnership initiatives to fight racism and promote the elimination of racial discrimination in schemes sponsored by Citizens Uprooting Racism in Bermuda, a grass-roots non-governmental organization and partnered with the Cabinet of the Government of Bermuda in organizing the Bermuda race relations initiative. The so-called Big Conversation engaged Bermuda in dialogue on race twice monthly over a nine-month period in 2007.

63. In March 2008, the Premier announced that the Big Conversation would be expanded. The Government established an advisory group to help drive the initiative, as well as an organizing committee for the Big Conversation dialogues. The Bermuda race relations initiative ran from March to November 2008 and included two black-only and two white-only forums, as well as smaller

[19] Budget statement 2009/10, available from www.gov.bm and "2008 Speech from the Throne" available from www.gov.bm.

conversations, which were expected to expand the reach and effectiveness of the initiative.[20]

64. The following major international human rights instruments apply in Bermuda: the European Convention on Human Rights, the International Covenant on Economic and Social Rights, the International Covenant on Civil and Political Rights, the United Nations Convention Against Torture, the Convention on the Rights of the Child and the Convention on the Elimination of Racial Discrimination.

65. In the context of the Overseas Territories Consultative Council meeting held in London on 28 and 29 October 2008, the territorial Government agreed upon the target date of October 2009 to achieve the extension of International Labour Organization Convention 182 on the worst forms of child labour and of the Convention on the Elimination of All Forms of Discrimination against Women, and to consider the options available to meet international obligations on sexual orientation.

F. Crime

66. According to the budget statement for 2008/09,[21] as delivered by Bermuda's Minister of Finance, Bermuda has recently experienced an unprecedented spike in crime. To stem the tide of violence, a higher police presence and proactive policing measures have been put in place. Bermuda has a police force of approximately 450 full-time officers and several hundred part-time police reserves. Recruitment continues to be a challenge, but the Commissioner of Police and his senior staff have made recruitment both locally and from overseas a priority.

67. An anti-gang initiative, first implemented during 2006, continues to be developed and applied, aiming to obtain a full understanding of the extent of the gang problem in Bermuda. In May 2008, the Minister of Labour, Home Affairs and Housing, David Burch, announced that the Government had teamed up with Island Soccer League Commissioner David Bascome to launch an anti-gang initiative called "hope for life". He explained that the initiative would be focused on four areas, which would provide participants with education about the pitfalls of drugs and violence and provide positive alternatives, in addition to teaching them about how to make good decisions and how to resist negative peer pressure.

68. The Ministry of Justice has endeavoured to provide assistance in combating the increase in violent crime by the establishment of a witness support unit. The unit, which is still in the early stages of implementation, provides information and support to witnesses throughout the trial process with the aim of demystifying the criminal justice system and reducing witness intimidation.[14]

69. The successful "mirrors" programme, funded by the Ministry of Culture and Social Rehabilitation, which redirects at-risk youth towards a more productive lifestyle, enters its third year in fiscal year 2009/10 and has been allocated a budget of $2.1 million. To date, three intensive residential courses have been completed by a total of 93 youth participants.[1]

[20] The Big Conversation will be expanded in 2008.

[21] Budget statement, 2008/09, www.gov.bm.

70. The police budget was increased by 10 per cent, to $62.8 million for the 2008/09 fiscal year, to fund programmes and initiatives such as those mentioned above. The Ministry of Justice has been provided with a budget of $24.9 million for the same period and a newly established Financial Intelligence Agency was allocated $500,000.[14]

71. According to information provided by the administering Power, the Ministry of Justice has continued its initiatives relating to the Bermuda anti-money-laundering and combating the financing of terrorism plan, mentioned earlier. The Financial Intelligence Agency will receive and analyse suspicious activity reports relating to known or suspected money-laundering or financing of terrorism. Senior personnel have been appointed and are completing the final stages of the transition from the Financial Intelligence Unit of the Bermuda Police Service to the new Financial Intelligence Agency.[14]

72. In addition, the National Anti-Money-Laundering Committee has been working closely with relevant industry bodies and other persons in the development and implementation of a National Action Plan to bring Bermuda into substantial compliance with international standards relating to anti-money-laundering and combating the financing of terrorism. According to information provided by the administering Power, the laws passed by the Legislature during the third quarter of 2008, namely, the Proceeds of Crime Amendment Act 2008, the Anti-Terrorism (Financial and other Measures) Amendment Act 2008, and the Financial Intelligence Agency Amendment Act 2008, indicate that significant progress has been made with regard to those issues.

73. The above legislation, along with the Proceeds of Crime Amendment Act 2007 and the Financial Intelligence Agency Act 2007 became operative on 15 November 2008. The legislature has also approved the Proceeds of Crime (Anti-Money-Laundering and Anti-Terrorist Financing) Regulations 2008, which make provision for the systems and controls that specified entities must have in place to prevent and detect money-laundering and the financing of terrorism. The Regulations applied to financial institutions with effect as of 1 January 2009 and will be extended to lawyers and accountants at a later date.[14]

G. Environment

74. The Ministry of the Environment and Sports is provided with a budget of $40 million for the 2009/10 fiscal year. The Department of Parks will focus on the production of the seventy-first Annual Exhibition, implementation of a horticulture training programme and a cross-ministry woodland management scheme. The Department will also provide support for the four hundredth anniversary celebration events at Fort St. Catherine, the Botanical Gardens and other fort sites. The Land Valuation Department is conducting the 2009 revaluation, which will come into effect on 1 January 2010.[1]

75. A new animal health-care facility will also be constructed. The Department also will deploy tracking devices on the Cahow, an endemic endangered seabird, and conduct the first-ever total economic evaluation of the Bermuda coral reef system. The latter will be published in June 2009.[1] In its fortieth year of operation, the Bermuda Turtle Project hosted the twelfth annual International Course on the Biology and Conservation of Sea Turtles, in August 2008.[1]

76. In June 2008, the Minister of the Environment and Sports declared the draft Bermuda plan 2008 to be the operative development plan for the island. The plan, which is currently the subject of a four-month public consultation period, provides the framework for the effective management of the natural and constructed environment and resource development in a sustainable manner that best provides for the environmental, economic and social needs of the Territory until 2015. During the four-month period, members of the public can object to or comment on any zoning or policy in the new draft plan.[14]

77. In May of 2008, the Minister of the Environment opened the new Cooper's Island Nature Reserve. Comprising over 50 acres, the site represents the last significant opportunity to set aside an extensive, largely undeveloped parcel of land of importance to the conservation of the unique biodiversity of Bermuda.[14]

78. In 2009, the Government will introduce a comprehensive water conservation campaign to heighten public awareness about the importance of water conservation. The campaign will involve public presentations, advertising via the print and electronic media and the production of brochures, banners, leaflets, posters and other campaign literature for island-wide dissemination. The water conservation campaign will complement the opening of the new Tynes Bay seawater reverse osmosis plant on the North Shore, which will have a capacity of 500,000 gallons per day, with the capability to be upgraded to produce 1 million gallons per day (see A/AC.109/2006/6, para. 36). The plant has significantly reduced Bermuda's dependency on rainwater.

79. Electric power in Bermuda is provided by a single private entity, which relies exclusively on fossil fuels to generate electricity. The Department of Energy was created within the Ministry of Energy, Telecommunications and E-Commerce at the beginning of 2008 and most of the year has been spent researching and developing a public consultation document, which will be used as the catalyst to engage the public in a wide-ranging debate on the various aspects of developing energy policies for Bermuda. In addition to more in-depth research into viable alternative sources of energy, the Department will also collaborate with other Government entities to encourage a change in consumption habits and a move towards a culture of energy efficiency and conservation.

80. In the context of the Overseas Territories Consultative Council held on 28 and 29 October 2008, the Territory agreed to work to address the potential impact of climate change in the Overseas Territories and to promote sustainable environmental policies in the Territories, with additional support from the United Kingdom Department for the Environment, Food and Rural Affairs.

VI. Military issues

81. According to the administering Power, Bermuda maintains a defence regiment of some 600 part-time soldiers. The adult male population is subject to conscription by ballot, involving three years' part-time liability for weekly drills, as well as an annual camp.

82. In the United Kingdom Committee of Foreign Affairs report, the Committee recommended that the United Kingdom Government should encourage the Bermuda Government to move away from conscription and towards the professionalization of

the Bermuda Regiment, with voluntary and paid elements. They also concluded that that could make serving in the Regiment more attractive, giving it the staffing resources required to expand into maritime duties.

VII. Relations with international organizations and partners

83. Bermuda is an associate member of the Caribbean Community and Common Market (CARICOM). Information on United Nations system activities involving Bermuda, including on the applicability of international labour conventions and international labour recommendations, is contained in document E/2006/47. The Territory also participates in the Caribbean Conservation Corporation, the International Confederation of Trade Unions, Interpol and the International Olympic Committee.

84. Bermuda is a member of the United Kingdom Overseas Territories. Upon the request of Bermuda, the Territory is not subject to the Overseas Association Decision implementing Part IV of the European Community Treaty. The arrangements with the European Union for association have never been applied to Bermuda, in accordance with the wishes of the Government of Bermuda. Bermuda is, however, entitled to participate in the partnership meetings involving British Overseas Countries and Territories.

VIII. Future status of the Territory

A. Position of the territorial Government

85. Developments regarding discussions on the future status of Bermuda are reflected in section II above.

B. Position of the administering Power

86. In a statement made on 6 October 2008 before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-third session of the General Assembly, the representative of the United Kingdom said, inter alia, that the relationship of her Government with its Overseas Territories was based on partnership, shared values and the right of each Territory to determine if it wished to retain its link to the United Kingdom, where applicable. Her Government had no intention of imposing independence against their will (see A/C.4/63/SR.2).

87. She referred to various constitutional review processes that had been undertaken, aimed at providing a modern constitutional framework to reflect the specific circumstances of each Territory. Provisions relating to good governance, human rights and the roles of the Governor and locally elected politicians had been updated. She stated that her Government's support for the Territories focused on capacity-building and sustainable development and indicated that the United Kingdom continued to work with the Territories, as appropriate, in areas such as political and economic transparency, security, reduction of vulnerability to natural and non-natural disasters and environmental management.

88. In a paper dated 8 May 2008, sent to the Chair of the Special Committee for circulation at the Pacific regional seminar on decolonization in Bandung, Indonesia, later that month, the United Kingdom similarly set out its position, based on the 1999 white paper on partnership for progress and prosperity: Britain and the Overseas Territories (see A/AC.109/1999/1, annex). The paper also addressed the status of various constitutional review processes undertaken in the framework of that white paper.

C. Action taken by the General Assembly

89. On 5 December 2008, the General Assembly adopted resolutions 63/108 A and B without a vote, based on the report of the Special Committee transmitted to the General Assembly (A/63/23) and its subsequent consideration by the Special Political and Decolonization Committee (Fourth Committee) (A/63/408). Section III of resolution 63/108 B concerns Bermuda. Under that section's operative paragraphs, the General Assembly:

> 1. Stressed the importance of the 2005 report of the Bermuda Independence Commission, which provides a thorough examination of the facts surrounding independence, and regretted that the plans for public meetings and the presentation of a Green Paper to the House of Assembly followed by a White Paper outlining the policy proposals for an independent Bermuda had so far not materialized;
>
> 2. Requested the administering Power to assist the Territory by facilitating its work concerning public educational outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations and, in that regard, called upon the relevant United Nations organizations to provide assistance to the Territory, if requested.

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Cayman Islands

Working paper prepared by the Secretariat

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I. General

1. The Cayman Islands is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory is located some 180 miles west of Jamaica and about the same distance south of Cuba. It comprises three islands: Grand Cayman (76 square miles), Cayman Brac (15 square miles) and the adjacent and largely undeveloped Little Cayman (11 square miles). The capital, George Town, is located on Grand Cayman.

2. According to the Economics and Statistics Office of the Cayman Islands, the population of the Territory increased from 53,172 in 2006 to 53,886 in 2007, with an estimated annual growth rate of 1.3 per cent.[1] The population is about 60 per cent Caymanian and 40 per cent non-Caymanian.[2]

3. The British Overseas Territories Act, which came into force in 2002, grants the right to full British citizenship to all inhabitants of the Territories and formally abolished the term "colony" and "dependent territory" in favour of "Overseas Territory". That law allows Cayman Islanders to hold British passports and work anywhere in the European Union.

II. Constitutional, legal and political issues

4. The official name of the current constitution of the Cayman Islands is the "Caribbean and North Atlantic Territories, The Cayman Islands (Constitution) Order 1972", which was amended seven times, in 1984, 1987, 1992, 1993, 2003 and twice in 2004.[3] Under the Constitution, the Governor, who is appointed for four years by the British monarch, is responsible for external affairs, defence, internal security and the public service. The current Governor, Stuart Jack, assumed his duties in the Cayman Islands on 25 November 2005.

5. As a result of recommendations produced by the Constitutional Review Commission appointed by the Governor in 2001, a number of changes were subsequently made to the Territory's political structure. Under Statutory Instrument 2003 No. 1515, which amended the Constitution that year, the Executive Council became the Cabinet, headed by the Governor, and the offices of Leader of Government Business heading the territorial Government and Leader of the Opposition in the Legislative Assembly were established. The Cabinet is responsible for the administration of government. The Governor appoints the Leader of Government Business and the Leader of the Opposition, and presides over the Cabinet. The Cabinet comprises three members appointed by the Governor, called the Official Members (Chief Secretary, Attorney General and Financial Secretary) and five members elected by the Legislative Assembly, called Ministers. Moreover, the British monarch (with the advice of Her Privy Council) as well as the Governor (with the advice and consent of the Legislative Assembly) has the power to make laws for the peace, order and good government of the Islands.[3]

Note: The information contained in the present paper has been derived from published sources, including those of the territorial Government; and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[1] Information received from the administering Power, 9 January 2008.

[2] See the Cayman Islands' Labour Force Survey, 2007, p. 12, at www.eso.ky.

[3] www.constitution.gov.ky.

6. The Legislative Assembly comprises three official members designated in the Constitution and 15 members elected by universal adult suffrage for a period of four years. Under the Constitution, at the first meeting of the Legislative Assembly, the elected members are required to elect a Speaker from among their own elected group, or from persons qualified to be elected members of the Legislative Assembly other than Ministers.[3]

7. Justice in the Cayman Islands is administered at three levels — in the Summary Court (including the Youth Court), the Grand Court and the Court of Appeal. The Summary Court has a civil and criminal jurisdiction. Appeals from the Summary Court lie to the Grand Court. The Grand Court is a superior court of record and administers the common law and the law of equity of England, as well as locally enacted laws and applied laws. Appeals from the Grand Court lie to the Cayman Islands Court of Appeal, composed of a president and not less than two judges of appeal. A judge of the Grand Court may exercise any of the powers of a single judge of the Court of Appeal. Further appeal lies, in certain circumstances, to the Judicial Committee of the Privy Council in London.[4]

8. Until 2000, there were no formal political parties in the Territory and groupings known as the National Team, the Democratic Alliance and Team Cayman acted as political organizations. Following the defeat of the National Team in the 2000 general elections, a majority of the Legislative Assembly members formed a political party, the United Democratic Party (UDP), on 5 November 2001. In 2002, the opposition formed a second party, the People's Progressive Movement (PPM) and in February 2005, the People's Democratic Alliance (PDA) was formed.

9. A general election was held on 11 May 2005. PPM won an unprecedented landslide victory over the incumbent UDP, winning 9 of the 15 seats in the Legislative Assembly. UDP won five seats, and the newly formed PDA secured one seat. As a result, Kurt Tibbetts of PPM replaced McKeeva Bush of UDP as the Leader of Government Business. The next general election is due to be held in 2009.

10. As previously reported (see A/AC.109/2006/16 and A/AC.109/2007/2), progress in constitutional reform efforts was slow in the early 2000s and focused on electoral matters. In 2005, the Leader of Government Business announced the Territory's readiness to resume discussions with the United Kingdom, and formal talks between the territorial Government and the United Kingdom recommenced in March 2006. A delegation from the British Foreign and Commonwealth Office made an exploratory visit to the Territory and suggested multiple changes to the draft Constitution that had been under discussion since 2003, particularly to the section on the bill of rights.[3] As part of the current constitutional review exercise, a constitutional bill of rights, based on international conventions, is under discussion.[5]

11. In February 2007, the Leader of Government Business announced the establishment of a new secretariat to make a fresh start on the constitutional review process in the Cayman Islands. The Constitutional Review Secretariat began work in March 2007 to generate support for the constitutional review process and to raise public awareness of the matter.[6] In his 2007 Throne speech, the Governor said that it

[4] See www.gov.ky.

[5] www.caymannetnews.com/news-9461--8-8---.html, 21 August 2008; and www.constitution.gov.ky.

[6] Information provided by the administering Power, 9 January 2008; and www.caribbeannetnews.com, 20 February 2007.

was vital that the people of the Cayman Islands were properly consulted in the process, including through referendum mechanisms. That would provide the mandate that would serve as a basis for negotiations between the territorial Government and the United Kingdom.[7]

12. Adopting a phased approach, the Territory has embarked on a review exercise, called the "Constitution modernization initiative", with the support of the Constitutional Review Secretariat. The Initiative comprises a four-part programme: (a) research to identify viable areas of constitutional reform and publication of a public discussion paper; (b) consultation and public education on constitutional issues raised in that paper; (c) a national referendum on constitutional reform; and (d) negotiations between the Cayman Islands and the United Kingdom on the modernization of the Cayman Islands Constitution.[8]

13. At the beginning of 2008, the modernization exercise entered its second phase. On 12 January 2008, the territorial Government issued a publication entitled "The Cayman Islands' Constitution: a reflection of who we are — summary of proposals" to facilitate public consultation. In the introduction to the "summary of proposals",[3] the territorial Government expressed its belief that there was no desire in the country to seek independence, and stated that the aim of the current constitutional review exercise was to improve the relationship with the United Kingdom and to make the Territory's internal government more democratic, efficient and accountable.

14. A referendum on the constitutional proposals, which was initially slated for May 2008 in order to give the territorial Government a brief for its negotiations with the administering Power on a new constitution and subsequently for July 2008, has been postponed until 2009.[9] According to the Leader of Government Business in June 2008, issues that led to the cancellation of the July referendum included: more time to consider constitutional modernization; concerns about the bill of rights for local culture; a wish to await the draft constitutional document that would result from the ongoing constitutional negotiations with the United Kingdom; poor timing for a July poll because of summer holidays, raising concerns about a low turnout and an unrepresentative result; and a view that the referendum might be better timed to coincide with the general elections scheduled for May 2009.

15. The first round of negotiations between the Governments of the Cayman Islands and the United Kingdom took place in September 2008. The Cayman Islands delegation included representatives from the elected Government, the official Opposition, the Chamber of Commerce, the Human Rights Committee, the Cayman Ministers Association and the Cayman Islands Conference of Seventh Day Adventists.

16. On the conclusion of the first round of negotiations, Kurt Tibbetts, the Leader of Government Business, reported "significant headway on a number of key issues". He added that he was "increasingly optimistic that ... we will end up with a document that the vast majority of the people of Cayman can support ... The

[7] Information provided by the administering Power, 9 January 2008; Throne speech delivered by Governor Stuart Jack on Friday, 27 April 2007, at www.gov.ky.

[8] www.constitution.gov.ky, 3 July 2007.

[9] United Kingdom Parliament, House of Commons, Foreign Affairs Committee, www.publications.parliament.uk, 6 July 2008.

proposals on the table are the same revised proposals which Government published and circulated nationally in May for public scrutiny, consideration and comment. Indeed they can be called the people's proposals". He also added that "Caymanian society and the wider world have changed fundamentally since 1972 when the present Constitution was introduced. Our people have grown in maturity and self-confidence. Their needs with regard to participation in national governance have also changed".

17. He added that "against this backdrop, Government is seeking ... to redefine the constitutional relationship with the United Kingdom so that there is more shared responsibility for decision-making. Our relationship with the United Kingdom has evolved. We are no longer a colony in the historical meaning of the word. The relationship which exists today is more like a partnership. And partnerships do involve a sharing of responsibility".[1]

18. A further round of negotiations scheduled for late 2008 was postponed in the wake of Hurricane Paloma; negotiations resumed in January 2009, concluding in early February with the finalization of the new draft constitution on 10 February 2009. Commenting on the document, the Leader of Government Business told a Cabinet press briefing that

> "This new Constitution is good for the Cayman Islands. It gives the people what they have been asking for. It safeguards our heritage, upholds our cherished values, protects fundamental human rights, gives Caymanians a greater say in ordering our domestic affairs; and retains and strengthens our constitutional ties with the United Kingdom. It improves our system of governance and better equips us to deal with the challenges of the early twenty-first century. The new Constitution represents the best deal that could be reached at this time. Nobody got everything they wanted, including the Government. What we have is a new Constitution that satisfies the United Kingdom and also reflects a broad-based national consensus; a political agreement reached among the participants following a process of give and take which is characteristic of all negotiations."

Mr. Tibbets indicated that the Government's immediate priority would now be to ensure that the document was widely circulated and that a supporting public awareness and education campaign was put into motion before the May 2009 referendum.[10]

III. Budget

19. The principal sources of Government revenue are import duties; financial services, fees and stamp duties. According to the administering Power, in 2007 the fiscal performance of the Cayman Islands deteriorated as strong growth in expenditure outpaced the moderate increase in revenue. Total revenue grew by 2.5 per cent to reach CI$ 512.9 million, whereas total expenditure grew by 27.4 per cent, to total CI$ 552.0 million. This resulted in an overall fiscal deficit of CI$ 39.1 million or 1.8 per cent of the gross domestic product (GDP) as compared to a surplus of CI$ 67.3 million in 2006 or 3.3 per cent of the GDP. This sharp downturn

[10] www.gov.ky, press release of 16 February 2009.

in the overall balance came from a reduced current surplus to CI$ 77.4 million from CI$ 116.1 million in the previous year.

20. In the 2009/10 Strategic Policy Statement, setting out the parameters for preparing the budget for the financial year 2009/10, the territorial Government projected revised capital expenditures of CI$ 143.3 million for 2008/09, CI$ 135.0 million for 2009/10, CI$ 63.0 million for 2010/11 and CI$ 59.0 million for 2011/12. The expenditure programme includes, inter alia, investment in education, transport infrastructure, new Government offices, health and economic policy.[1]

21. Under the Territory's public management reform process, a new Public Service Management Law and Regulations came into effect in 2007. The law constitutes the second stage of reform efforts, after the Public Management and Finance Law of 2001. All of the approximately 3,500 civil servants are affected by the reform process, which has decentralized personnel management decisions and allows for performance-based assessments and incentives.

22. In its budget policy address of April 2008, the territorial Government expressed confidence that, in spite of the economic crisis, Cayman's finance and tourism industries would help sustain a strong economy. While the territorial Government had been forced to delay some major construction projects and cover some major operating losses within statutory authorities and government companies in the budget, no job losses or service cuts and no new taxes were expected.[4]

IV. Economic conditions

A. General

23. The Cayman Islands has one of the highest standards of living in the Caribbean. The economy is based on tourism and offshore financial services. For the year 2007, the per capita GDP was estimated at CI$ 40,242. Indicators for the first half of 2008 suggest that the Cayman Islands economy was on a path to achieving a GDP growth of 1.5 per cent in 2008.[1]

24. Total imports for 2007 were CI$ 881.8 million,[1] while total imports during the first quarter of 2008 were CI$ 235.7 million.[11] Although imports outstrip exports by far, the trade gap is customarily offset by earnings from the tourism and financial services sectors.[12] Exports in 2007 amounted to CI$ 21.5 million. The visible trade deficit was therefore CI$ 860.3 million, slightly down from CI$ 867.8 million in 2006.[13] Inflation for 2008 was expected to reach 3.8 per cent, owing mainly to the price of food, utilities, oil, petroleum products and manufactured goods.[1]

25. The Cayman Islands' major trading partners are the United States of America, the United Kingdom and the States members of the Caribbean Community.

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[11] See the Economic and Statistics Office, Annual Economic Report for 2007, at www.eso.ky.

[12] See *The Economist Intelligence Unit*, Cayman Islands country profile, 2007.

[13] See The Cayman Islands' Foreign Trade Statistics Report 2007, published by the Economics and Statistics Office, at www.eso.ky, April 2008.

B. Agriculture, fisheries and the environment

26. According to information provided by the administering Power, agricultural activities, although limited by infertile soil, low rainfall and high labour costs, have nearly doubled over the past several years and the sector has slowly recovered following the devastation of Hurricane Ivan in 2004. Initiatives have included the upgrading of livestock (cattle and goats), the importation of mangos, avocados, bananas and plantains, and citrus fruits for replanting, the rehabilitation of pastures, repair of fences and the rehabilitation of orchards. Furthermore, the sector's efforts have been supported by the continued provision of subsidized agricultural inputs that have to be imported, namely livestock feed and fertilizer. However, successive hurricanes in 2007 (Hurricane Dean) and 2008 (Hurricanes Gustav and Paloma) have caused significant setbacks with crop production efforts with bananas and plantains, with growers being the hardest hit. Agriculture continues to constitute approximately 1.4 per cent of total GDP.[14] In October 2007, a new infestation of the harmful pink hibiscus mealy bug was reported. The Department of Agriculture initiated successful countermeasures in the infested areas.

27. The Department of Environment has created a Sustainable Development Unit, which is working on identifying and assessing the closely associated vulnerabilities of global climate change. The Enhancing Capacity for Adaptation to Climate Change project, which is managed within the Territory by a National Climate Change Adaptation Working Group, is making progress towards the development of a national climate change adaptation strategy. In respect to marine conservation, the Nassau Grouper Programme has attracted international recognition through its recent successes in protecting local spawning aggregations and, with the recent addition of the acoustic tagging larval recruitment and ocean drifter programmes, continues to make significant progress in identifying local and regional aspects of the important and threatened Caribbean species.

28. During 2008, the Cayman Islands and other Territories administered by the United Kingdom in the Caribbean, Anguilla, the British Virgin Islands, Montserrat and the Turks and Caicos Islands, agreed to work out a national strategy to help reduce the debilitating effects of climate change. The focus areas included climate change impact studies and vulnerability assessments, developing national and sector adaptation strategies, and support for public education, outreach and national project management. The exercise was carried out in conjunction with a CARICOM and European Union project elaborating strategies to counter climate change and biodiversity loss.[15]

29. In the context of the Overseas Territories Consultative Council meeting held on 28 and 29 October 2008, the territorial Government agreed to work together with the United Kingdom to address the potential impact of climate change and to promote sustainable environmental policies with additional support from the United Kingdom's Department for the Environment, Food and Rural Affairs.[16] The territorial Department of Environment is committed to developing a national climate change adaptation strategy in the context of the Enhancing Capacity for Adaptation

[14] See www.cia.gov/cia/publications/factbook/index.html.

[15] See www.dfid.gov.uk/pubs/files/departmental-report/2008/Chapter9.pdf.

[16] www.fco.gov.uk, accessed on 12 November 2008.

to Climate Change project,[17] which encourages a number of participating territories in the Caribbean to adapt to climate change and climate variability within the context of sustainable development.[18]

C. Tourism

30. The tourism sector accounts for approximately half of the GDP of the Cayman Islands and one third of employment in the Territory. Air arrivals rose by 5.2 per cent to a total of 274,729 visitors for the 11-month period from January to November 2008, compared with 261,248 visitors for the year ending December 2007.[19] Arrivals at 31 December 2008 project full recovery from the decline caused by Hurricane Ivan in 2004.[20] This recovery was achieved despite 2008 presenting an active hurricane season, including three hurricane threats resulting in tourist evacuations and ultimately causing major damage on one island following Hurricane Paloma's direct hit to Cayman Brac on 8 November 2008. It was anticipated that Cayman Brac would be closed to tourism for several months.

31. As at November 2008, the number of tourist cruise arrivals had decreased by 10.58 per cent to approximately 1.3 million for the 11-month period from January to November 2008, compared to approximately 1.5 million passengers for the year ended 31 December 2007. Cruise congestion (in the past in excess of 20,000 passengers per day), was addressed by the Port Authority of the Cayman Islands in December 2006 when a management plan was introduced to restrict the total number of passengers that can be facilitated at any given time.[21] As with air arrivals, weather played a major factor in cruise arrivals in 2008, resulting in a loss of business during 25 days of cruise calls and amounting to a loss of approximately 100,000 cruise passengers. The lack of berthing facilities also had an impact on arrival numbers as one major cruise line is consolidating cruise itineraries in preparation for the launch of its mega ship, the *Oasis*, which, with a capacity of 5,400 passengers, will be too large to call at tender ports. To mitigate against future loss of business from these two factors, the Cayman Islands Government has announced plans to establish berthing facilities which will enhance the operational threshold of the cruise port.

32. In March 2009, the Cayman Islands Government is due to formally table and launch the National Tourism Management Policy for the period 2009-2013.

33. The territorial Government has launched the Cayman Islands Environmental Project for the Tourism Sector, a private/public partnership aimed at dealing with the sector's environmental impact. Seven properties are involved in the pilot study, which was launched in February 2008. The compiling and submission of the Green Globe 21 benchmarking data for six of the properties will be completed in February

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[17] Caricom Climate Change Centre, "Climate Change Adaptation Projects in the Caribbean" at www.reunion2008.eu/pdf/presentation/EU%20and%20Overseas%20Entities%20Climate%20Change%20Conference%20La%20Reunion.pdf.

[18] Standard presentation on Enhancing Capacity for Adaptation to Climate Change in the Caribbean United Kingdom Overseas Territories, July 2008.

[19] At the time of the preparation of the present report, tourism statistics for December 2008 were not yet available.

[20] See Department of Tourism, www.caymanislands.ky/statistics, accessed on 6 January 2009. Pre-Hurricane Ivan numbers were 293,517 visitors in 2003.

[21] The policy allows a maximum of six ships or 15,000 passengers per day, whichever is greater.

2009[22] for the Queen Elizabeth II Botanic Park in March 2009. The Department of Tourism is also pursuing having the island of Little Cayman evaluated under the Green Globe destination programme in 2009.

34. While the United States remained by far the largest market for the Cayman Islands in the first quarter of 2008, representing some 75.5 per cent of all visitor arrivals, its growth of 6.6 per cent was weaker compared to the growth of arrivals from both Canada and Europe. These secondary markets continue to perform well, with Canada showing an increase of over 23.5 per cent and Europe showing an increase of 10.8 per cent, compared to the first quarter of 2007.[23]

D. Financial services

35. The financial sector is one of the main pillars of the Cayman Islands economy, and the Islands remain among the top international financial centres in the world.

36. According to The Cayman Islands Annual Economic Report 2007 published in July 2008 by the territorial Government's Economic and Statistics Office, the Cayman Islands financial services sector continued to perform well during 2007. Increases were seen in insurance company licences (3.4 per cent), mutual funds (15.7 per cent), stock exchange listings (42.7 per cent) and stock exchange capitalization (50.9 per cent), as well as new company registrations (16.0 per cent). The only exception was the bank and trust licences sector, which declined by 3.4 per cent, owing to continued consolidation within the banking industry. This generally positive trend continued in the first half of 2008. Hedge funds domiciled in the Cayman Islands have passed the 8,000 mark, representing approximately 80 per cent of the world's total offshore funds.[24]

37. With regard to the regulatory environment, the assessment of the Cayman Islands in the report "Managing risk in the Overseas Territories" prepared by the United Kingdom's National Audit Office and the "Third round mutual evaluation report of Cayman Islands" by the Caribbean Financial Action Task Force was generally seen as evidence of the territorial Government's commitment to strengthening anti-money-laundering legislation.[25] Following a visit of the Foreign Affairs Committee to the Cayman Islands in March 2008, a report issued on 7 July 2008 recommended that the Foreign Commonwealth Office encourage Bermuda, the British Virgin Islands, the Cayman Islands and Gibraltar to continue to make progress in improving financial regulation, in particular in arrangements for investigating money-laundering.[9]

E. Infrastructure, construction and transport

38. According to the Territory's third quarter economic report for 2008, building permits in the construction sector, bolstered by Government projects, amounted to

[22] The date for the property on Cayman Brac to complete its benchmarking data is unknown due to the property closing in November 2008 following Hurricane Paloma.

[23] Government of the Cayman Islands, budget address, April 2008.

[24] Information provided by the administering Power, 9 January 2008; and www.eso.ky.

[25] Information provided by the administering Power, 9 January 2008; National Audit Office, November 2007, at www.nao.org.uk; Caribbean Financial Action Task Force, December 2007, at www.cfatf.org.

CI$ 419.9 million in the first nine months of the year. This represented an increase of 24.3 per cent over the same period in the previous year, when building permit reached CI$ 337.9 million.

39. The Cabinet of the Cayman Islands approved the planning, preparation and implementation of a population and housing census for the Cayman Islands on 26 March 2008. The next population and housing census will be conducted in October 2010.[26]

40. The road network of the Cayman Islands, which has suffered extensive damage in recent years owing to the severe hurricane seasons, comprises approximately 785 kilometres of roadways. There has been considerable investment in the road networks to address this problem.

41. International air services are provided between Grand Cayman and Canada, Cuba, Europe, Honduras, Jamaica and the United States, through more than 100 flights per week, while domestic airline services and charters operate between the three islands. In 2008, Cayman Airways launched direct flights to Washington, D.C., and Chicago to complement its other North American services.[1] Additionally, in November 2008 Delta Air Lines announced flight service expansions between Atlanta and George Town.[27]

42. The port of George Town is the main gateway for cruise ships carrying tourists to the Cayman Islands. The islands are served by scheduled passenger liners and a number of locally owned or registered vessels that provide cargo services.

F. Telecommunications and utilities

43. As a leading international business centre, the Territory is dependent on telecommunications and utility services. According to the 2007 Annual Economic Report, the telecommunications sector had a strong performance during the fiscal year 2006/07. The total number of lines at the end of the year (122,167, representing 2.35 lines per resident) reflected an increase of 10.4 per cent. Furthermore, the consumption of utility services increased: water usage expanded by 6.0 per cent to 1,620.86 million gallons (from 1,529.52 million gallons in 2005/06), while electricity consumption rose by 21.65 per cent to 456.04 million kilowatt-hours. According to the 2007 Annual Economic Report the total number of fixed and mobile lines was 130,622, which reflected an increase of 6.9 per cent, representing 2.46 lines per resident. Electricity consumption increased by 12 per cent to 510.64 million kilowatt-hours and water usage expanded by 3.6 per cent to 1,679.99 million gallons.

[26] Economics and Statistics Office, 2010 population and housing census, at www.eso.ky, accessed on 28 July 2008.

[27] www.caribbeannetnews.com, 28 October 2008.

V. Social conditions

A. Human rights

44. The Territory is subject to several major human rights conventions to which the administering Power has acceded, including the European Convention on Human Rights. The Treaties and Conventions Unit within the Territory's Attorney General's Chambers oversees the extension of the international human rights instruments to the Cayman Islands.

45. The Cayman Islands Human Rights Committee has published a number of reports regarding individual human rights cases and provided advice to Government entities. During 2007/08, the focus of the Committee was on continuing the investigation of individual cases and human rights as part of the education syllabus.[28]

46. The territorial Government began to promote freedom of information legislation to govern public access to official records. On 21 June 2007, the Freedom of Information Steering Committee was established and a freedom of information law is expected to come into force in early 2009.[29]

47. In the Throne speech of April 2008 it was stated that the needs of the children and youth must not be neglected. It is seen as a challenge to be more active in areas affecting youth besides the existing initiatives such as the new Children's Law, the Youth Assembly and the treatment of juveniles in trouble.[30]

48. During her presentation at the Freedom of Information Workshop for Pacific Policy Makers held in Honiara, Solomon Islands, from 30 June to 2 July 2008, the representative from the Freedom of Information Unit of the Government of the Cayman Islands emphasized the value of public engagement throughout the entire process of developing and implementing freedom of information legislation.[31]

49. In its report issued on 7 July 2008, the Foreign Affairs Committee recommended that the territorial Government monitor the conditions of prisoners, illegal immigrants and migrant workers in the United Kingdom's overseas territories to ensure that rights are not being abused.[32]

50. In August 2008, stakeholders met in the Turks and Caicos Islands with the Caribbean human rights coordinator of a four-year project, carried out since 2007 by the Commonwealth Foundation, the Commonwealth Legal Education Association and the Commonwealth Human Rights Initiative. The project is funded by the United Kingdom's Department for International Development, and the Foreign and Commonwealth Office with the view to helping the United Kingdom's overseas Territories conform to international standards concerning human rights obligations and to developing action plans.[33] At the meeting, human rights capacity-building in

[28] Information provided by the administering Power, 9 January 2008; and www.humanrights.ky.

[29] Information provided by the administering Power, 9 January 2008; and *Caymanian Compass*, 2 September 2007, at www.caycompass.com.

[30] www.gov.ky, Throne speech, April 2008.

[31] *Pacific Magazine*, 2 July 2008.

[32] United Kingdom Parliament, House of Commons, Foreign Affairs Committee, www.publications.parliament.uk, 6 July 2008.

[33] www.caribbeannetnews.com, 19 August 2008.

the British Overseas Territories of the Caribbean, Pacific and South Atlantic project was discussed.[34]

51. In September 2008, in response to questions from the *Caymanian Compass*, the Cayman Islands Human Rights Committee reiterated its position that it did not advocate the "horizontal" application of human rights in the constitutional modernization process, but that it was an issue the Cayman Islands should address. A horizontal application would mean that an individual could seek enforcement of human rights provisions against individuals or private entities; and with a vertical application, an individual could only seek enforcement of human rights provisions against the Government. On 6 October 2008, the Committee issued a press release that the working draft bill of rights had broad consensus with the non-governmental organizations involved in the process, even if there was no total agreement.[35]

B. Labour and immigration

52. The Cayman Islands Labour Force Survey, 2007, indicates that the labour force of the Territory comprised 36,476 people in 2007, with 60.1 per cent Caymanians and 39.9 per cent non-Caymanians. The unemployment rate increased in 2007 to 3.8 per cent, compared with 2.6 per cent in 2006.[36]

53. The immigration law that took effect in 2004 limits foreign workers in the Territory to a stay of between six months and seven years, depending on the category of employment. The law affected a large portion of the Caymanian workforce, as more than half of private sector workers are work-permit holders. The number of work permits increased by 6.7 per cent, from 24,794 in the third quarter 2007 to 26,451 in the same quarter of 2008.[37]

54. Amendments revising the Cayman Islands immigration law have come into force, following the passage in December 2006 of the Immigration (Amendment) (No. 2) Bill, 2006 in the Legislative Assembly, as well as the Governor's assent to the Bill. The law includes, inter alia, the prerogative of the Chief Immigration Officer to grant Caymanian status to certain categories of applicants. This remains a much-discussed policy among expatriates.[13] The same year, the Governor announced that a review of the public sector would be carried out, following which term limits would be set as they are for the private sector.

C. Education and cultural affairs

55. Education is compulsory for all resident children between 4 years and 9 months, and 16 years of age. The public education system caters to about two thirds of Caymanian children, with the remainder attending fee-paying schools. Tuition is free for Caymanians at the public primary and high schools. In addition,

[34] www.caribbeannetnews.com, 20 August 2008.

[35] www.caycompass.com, 15 October 2008.

[36] See the Cayman Islands' foreign trade statistics, Quarterly Economic Report, third quarter 2007, Economics and Statistics Office, www.eso.ky.

[37] Quarterly Economic Report: first quarter 2008, www.eso.ky, 17 September 2008 at www.eso.ky.

private schools provide primary and/or secondary education. All private schools are monitored by the territorial Government.[38]

56. Two public and two private institutions provide tertiary education. The University College of the Cayman Islands, until 2004 known as the Community College, is owned by the territorial Government and is administered independently.[39] The University College has seen a large increase in its number of students and also houses the new Civil Service College, which opened in September 2007. The Cayman Islands Law School, affiliated with the University of Liverpool in the United Kingdom, is also Government-owned, whereas the International College of the Cayman Islands and the St. Matthew's University are private.[40]

57. In the 2007 Throne speech,[7] the Governor stated that key objectives for the coming year were the rebuilding of George Town High School and the commencement of construction of three new high schools around which learning communities would be designed. Similar models would be developed for Cayman Brac. A review of the national curriculum would be completed and new legislation would be drafted. In January 2008, an extensive review of the Cayman Islands national curriculum for schools was completed after a wide-ranging consultation. This is the second strategy of the Government's 10 strategies for reform, as outlined in the National Consensus on the Future of Education document.[38]

58. In April 2008, all teachers in primary schools were involved in collaborative planning within their learning communities as part of the International Baccalaureate initiative. The first six schools (North Side, Prospect, Savannah, John A. Cumber, George Town and Creek and Spot Bay) applied for candidate status, making them the first State schools in the Caribbean to have done so. In secondary schools, a range of new and exciting examination options were on offer to students, as well as some innovative ways of introducing extended learning opportunities at the George Hicks campus. As part of the overall national curriculum process, parents had trained on the new form of assessment, which is based on levels.[38]

59. In the territorial Government's annual budget statement, delivered in the Legislative Assembly on 30 April 2008, the Leader of Government Business indicated that challenges facing the Government's capital funding programme had necessitated the extension of the originally anticipated lead-times of construction projects. The three new secondary campuses, including the Beulah Smith Campus, would be completed by September 2010, when the facilities would be fully operational for the start of the 2010/11 academic term.

60. Moreover, work on new facilities for George Town primary school continues and it is expected to open its door to students in September 2010.

61. In his 2007 speech from the Throne, the Governor said that the Government continued to support the work of the Cayman National Cultural Foundation and the National Gallery of the Cayman Islands. Support was also provided to the National Museum, which continues to undergo renovations and aims to portray fully the impact of the diverse influences on the evolution of the Cayman Islands.

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[38] See www.brighterfutures.gov.ky.

[39] See the University College Cayman Islands website, at www.ucci.edu.ky.

[40] Information provided by the administering Power, 9 January 2008; www.icci.edu.ky; and www.stmatthews.edu.

D. Public health

62. The Health Services Authority is responsible for the provision of all public health care. In addition to general medical care, a wide range of specialist services is available locally. The Health Practitioners Board has responsibility for the registration of private practitioners. There is a one 124-bed Government-run hospital, which includes a state-of-the-art, fully staffed accident and emergency room, as well as a private 18-bed hospital, both in George Town. There is also an 18-bed Government-run hospital on Cayman Brac and there are several district health centres and clinics throughout the Territory. Health insurance is compulsory in the Cayman Islands.

63. The Territory's health-care system faces particular pricing challenges such as the cost of air ambulance services. Accordingly, the economic and financial viability of health services is a continuing concern.[41] In October 2006, the Health Services Authority launched a five-year plan aimed at improving the quality and efficiency of health care. Reviewing the plan in December 2007, the Health Services Authority stressed the continued need to improve the health-care sector's revenue situation.[42]

64. While dengue fever is not endemic in the Cayman Islands, there were 12 cases of dengue fever between October 2007 and February 2008 in the Territory, one of them fatal.[43]

65. At the occasion of World AIDS Day on 1 December 2008, the Minister of Heath spoke at a candle-light vigil in memory of Cayman's AIDS victims at John Gray Memorial Church. He urged community leaders to be at the forefront in coping with the HIV and AIDS pandemic. According to a media report there were 14 people living with AIDS in the Cayman Islands during this period.[44]

E. Crime and public safety

66. In September 2007, the police reported a year-to-year increase in crime, although levels of serious crime once again decreased compared to 2006.[45] The Leader of Government Business said in December 2007 that the Cayman Islands intended to upgrade its border protection, with additional boats and a new marine terminal.

67. The delivery of a police helicopter and interceptor boats was expected in 2008.[1]

68. Furthermore, regarding the matter of international financial crime, the Leader of Government Business said on the same occasion that the Territory had "a very strong compliance culture, which is underpinned by modern legislation and complies with international best practice". In that context, he also stressed the role of the Cayman Islands Monetary Authority in monitoring compliance with

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[41] See *Caymanian Compass*, 24 June 2007 and 7 January and 6 February 2008, at www.caycompass.com.

[42] Ibid., 16 January 2008, at www.caycompass.com.

[43] Ibid., 10 February 2008, at www.caycompass.com.

[44] www.caymannetnews.com.

[45] *Caymanian Compass*, 29 July 2008, at www.caycompass.com.

international financial standards in the Territory and reporting findings to the territorial Government on a regular basis.

F. Disaster preparedness

69. In 2004, Hurricane Ivan changed the way Cayman Government agencies prepare for natural disasters. In January 2007, the Government launched a new agency, Hazard Management Cayman Islands, to help residents prepare for and recover from a variety of disasters. According to the administering Power, the efficient and effective management by the Hazard Management Cayman Islands and other authorities during Hurricane Dean in August 2007 was testament to the amount of work that had been done in this area since Hurricane Ivan. Moreover, the Meteorological Office, the Lands and Survey Department and the National Hurricane Committee began to use a new storm surge model called the Arbiter of Storm. A maritime security exercise was carried out in October 2007 to test Cayman's response to non-natural disasters.

70. In November 2008, a category four Hurricane Paloma raked across the Islands. According to the National Hurricane Center in Miami winds sustained 135 miles per hour. Hurricane Paloma passed almost directly over Cayman Brac and Little Cayman, while the larger and more populated Grand Cayman Island to the west escaped the brunt of the storm. Most of Cayman Brac and Little Cayman's 2,000 residents and several tourists were evacuated or moved to shelters ahead of the storm. The Cayman Brac district commissioner stated that probably 90 to 95 per cent of homes and buildings had been damaged, trees flattened, utility poles downed and wires strewn across roads.[46]

71. Residents of the damaged islands will get financial relief from the private sector, which joined forces with the Government to provide monetary help.[47]

72. Moreover, the Caribbean Catastrophe Risk Insurance Facility, a Caribbean-wide "catastrophe insurance pool", was established by the World Bank and has acquired US$ 47 million in funds to assist the Caribbean, including the Cayman Islands, in the event of a hurricane or earthquake.[48]

VI. Relations with international organizations and partners

73. The Cayman Islands Government Representative in the United Kingdom, Jennifer Dilbert, led a six-day visit of five members of the Cayman Islands All Party Parliamentary Group to Grand Cayman at the end of July 2008. The purpose of the visit was to familiarize the delegation, and through them the Group as a whole, with as many aspects of the Cayman Islands as possible. The programme included visits to the sister islands, with the group also making a number of other stops, including the Eastern Districts and the Turtle Farm and holding numerous meetings with representatives from a number of sectors. The delegation head, a Labour member of

[46] www.caribbeannetnews.com, 10 November 2008.

[47] www.caymannetnews.com, 14 November 2008.

[48] See World Bank, 26 February 2007, at www.worldbank.org.

Parliament, stated that the trip had given the opportunity to discuss a variety of issues, including the White List, tourism and development, and policing.[49]

74. As a result of a request by the Government of the United Kingdom the Economic Commission for Latin America and the Caribbean, by its resolution 640 (XXXII), decided to admit the Cayman Islands as an associate member of the Commission.[50]

75. The Cayman Islands is an associate member of the United Nations Educational, Scientific and Cultural Organization and a member of the Universal Postal Union. The Territory is an associate member of the Caribbean Community and a member of the Caribbean Development Bank and the International Olympic Committee.

76. As a Non-Self-Governing Territory of the United Kingdom, the Cayman Islands is associated with, but not a part of, the European Union. As a member of the Caribbean Forum of African, Caribbean and Pacific States, the Cayman Islands agreed in December 2007 with the European Union on an Economic Partnership Agreement.[51]

77. In the context of the Overseas Territories Consultative Council meeting held on 28 and 29 October 2008, the territorial Government agreed upon the target date of October 2009 for the extension to the Territory of the International Labour Organization Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour and of the Convention on the Elimination of All Forms of Discrimination against Women, and to consider the options available to meet international obligations on sexual orientation.[52]

VII. Future status of the Territory

A. Position of the territorial Government

78. Developments concerning the Territory's constitutional reform efforts are referred to in section II above.

B. Position of the administering Power

79. In a statement made on 6 October 2008 before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-third session of the General Assembly, the representative of the United Kingdom said, inter alia, that her Government's relationship with its Overseas Territories was based on partnership, shared values and the right of each Territory to determine if it wished to retain its link to the United Kingdom, where applicable. Her Government had no intention of imposing independence against their will (see A/C.4/63/SR.2; paras. 35-37).

80. She referred to various constitutional review processes that had been undertaken, aimed at providing a modern constitutional framework to reflect the

[49] www.caycompass.com, 30 July 2008.

[50] See www.eclac.org/pses32/noticias/paginas/5/33375/2008-435-SES32-Resolutions.pdf.

[51] See BBC Caribbean, 2 January 2008, at www.bbc.co.uk/caribbean.

[52] www.fco.gv.uk, entered 12 November 2008.

specific circumstances of each Territory. Provisions relating to good governance, human rights and the roles of the Governor and locally elected politicians had been updated. She stated that her Government focused its support for the Territories on capacity-building and sustainable development, and indicated that the United Kingdom continued to work with the Territories, as appropriate, in areas such as political and economic transparency, security, reduction of vulnerability to natural and non-natural disasters and environmental management.

81. In a paper dated 8 May 2008, sent to the Chairmen of the Special Committee for circulation at the Pacific regional seminar on decolonization held at Bandung later that month, the United Kingdom similarly set out its position,[53] as based on the 1999 White Paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories".[9] The paper also addressed the status of various constitutional review processes undertaken in the framework of that White Paper.

C. Action taken by the General Assembly

82. On 5 December 2008, the General Assembly adopted, without a vote, resolutions 63/108 A and B, based on the report of the Special Committee transmitted to the General Assembly[54] and its subsequent consideration by the Fourth Committee (A/63/408). Section V of resolution 63/108 B concerns the Cayman Islands, the operative paragraphs of which read:

> "*The General Assembly*,
>
> ...
>
> "1. *Welcomes* the publication by the territorial Government of a consultation paper in January 2008 setting out a number of proposals for constitutional reform, with a view to holding a referendum on those proposals, or revised proposals, later in the year;
>
> "2. *Requests* the administering Power to assist the Territory by facilitating its work concerning public awareness outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations and, in that regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;
>
> "3. *Welcomes* the efforts made by the territorial Government to address cost-of-living issues in various economic sectors."

[53] The full statement can be found at: www.un.org/depts/dpi/decolonization/regional_seminars_statements_08/united_kingdom.pdf.

[54] *Official Records of the General Assembly, Sixty-third Session, Supplement No. 23* (A/63/23).